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PETROBRAS REDUCES PURCHASES OF MATERIAL, EQUIPMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 83 p 22

[Text] Rio--The management of the Brazilian Petroleum Corporation (PETROBRAS) has decided to adopt a policy of sharply cutting back its purchases to replace its stock of equipment and material as an economy measure in view of the difficulties faced by the company. The decision was taken 2 days ago and will go into effect as of tomorrow for a period of 1 month.

In practice, the measure means a suspension of the purchases of replacements for various materials and equipment purchased by the whole PETROBRAS system, from holding company, the Brazilian Petroleum Corporation (PETROBRAS), to its six subsidiaries: PETROBRAS Chemical Corporation (PETROQUISA), PETROBRAS Distributors, PETROBRAS International Corporation (BRASPETRO), PETROBRAS International Trade Corporation (INTERBRAS), PETROBRAS Fertilizer Corporation (BRASFERTIL) and PETRONISA. Those are purchases that normally guarantee large orders for private companies that supply office material, equipment for management, chemical products and others connected with the operational activities of the PETROBRAS complex.

According to the company's press office, only the purchases of materials and equipment considered essential to the continuity of its activities will be maintained while a reevaluation and consolidation is made of the existing stocks in the whole system, which in addition to the subsidiaries includes 70 associated or controlled companies.

According to the PETROBRAS annual report for 1982, the stocks of the system at the end of the year amounted to a little more than 1 trillion cruzeiros. According to the financial statements published consolidated net assets showed a net profit of 30.3 billion cruzeiros on the sale of products stocked by the subsidaries and controlled companies, after deducting income tax.

Stock Exchange

In a telex sent to the Rio and Sao Paulo stock exchanges and signed by its production director, Joel Mendes Renno, PETROBRAS denied the recent report about its oil production figures and explained that since the balance sheet for the month of April has not yet been completed "one cannot anticipate the report that the company has again suffered a loss for the month." It said also that the report that the company will continue to show no profit until there is a dollar-petroleum increase and the price of national oil is changed is incorrect."

8711
CSO: 3342/124

CONCERN VOICED FOR MISSING PERSONS IN CHILE, ARGENTINA

Santiago HOY in Spanish 18 May 83 p 21

[Article by M.O.]

[Text] Association of Families of Missing Persons reveals at least 40 Chileans have been kidnapped in Argentina.

"My son, Patricio Urbina, a student at Catholic University, was kidnapped in 1976, and I never saw him again. I am also the father of a missing person." That is how a taxi driver put it to HOY when he was asked about attending the third Missing Persons Rally at the Vicariate of Solidarity of the archbishopric of Santiago. The driver explained that his wife would attend that afternoon, and that she, like the other mothers, would wear a photo of her son pinned to her dress. "I will go tomorrow; we have to take turns so that we can be there all the time. This is something we can never forget," he said.

The Association of Families of Missing Persons has carried out a week of active protest under the slogan, "They took them away alive; we want them back alive." They adopted for their own the Plaza de Mayo Mothers' rejection of the official "explanation" that the 6,000 victims of this method of repression in Argentina are dead. "At least 40 of those victims are Chilean," one of the leaders, Cecilia Rodriguez, told HOY. On Friday three mothers from that trans-Andean organization were prevented from disembarking in Pudahuel.

General Opinion: "This will not be forgotten"

It is suspected that there are some 2,500 cases in Chile alone. The Vicariate of Solidarity has conclusive proof of the arrest of 702 individuals whose fate is unknown. Similar situations have been documented in 12 other Latin American countries, and the number of such missing persons on the continent is estimated at 90,000. The various associations have joined together in the Federation of Families of Missing Persons, FEDEFAM, and all of them held concurrent rallies similar to the one in Chile.

FEDEFAM said in a message read at the opening ceremonies: "To many it will seem an illusion or a cry which no longer makes any sense. They will say that those who were arrested and have disappeared are already dead and that we are creating false hopes, that there are the clandestine graves and that the most one could ask is that the remains be returned...," and it added, "We reject the political implications of 'wiping it out and starting with a clean slate,' because this not only implies the death of many of the missing persons who are still alive but also augurs a dangerous and ignominous precedent for the future, a sort of 'carte blanche' for tomorrow, and also because it confuses and muddies the conscience and the social ethics of the Latin American people."

8735
CSO: 3348/438

ARMY MINISTER MENTIONED AS POTENTIAL PRESIDENTIAL CANDIDATE

Impasse-Breaking Prospect

Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 May 83 p 5

[Article by Janio de Freitas]

[Text] There is at least one name missing from the liast used by the press if compared with the prevailing list among the patrons of the regime enumerating the possible successors to General Figueiredo. It is the name that is most mentioned in the recesses of the rebime to be superimposed on a possible or already probable impasse among the Social Democratic Party (PDS) wings over the presidential succession. That name is Walter Pires.

There is an essential reservation, however: the war minister is not a candidate; that is, he is not included among those who are seeking the nomination to succeed President Figueiredo. It is obvious that there are more than enough reasons (and stars) for him to merit the press's imprecise and somewhat silly classification of "presidential timber." But, in fact, General Walter Pires is entering the succession process as a recourse of the regime to put a lid on a succession that is escaping along independent courses.

That idea of an alternative, however, is not due only to the possibility of an impasse among the candidacies or the support wings in the PDS. It stems also from the fact that, contrary to what is happening in the navy, in the army reportedly there is still resistance to the idea of a civilian successor to General Figueiredo. From that point of view, the job of the civilian candidates would be to render the gracious service of lending democratic features to the succession project, sufficient reason not to voice a veto to any of them.

However, the alternative based on the war minister is contrary to two of the premises that govern the participation of Generals Geisel and Golbery in the conduct of the succession process. Both believe that Brazil already needs a civilian president or a military man who is no longer characterized as such and, among other qualities, who is capable of changing sufficiently, in relation to the current government, to overcome the resistance to

reactivation of the democratizing process. Added to these objective data is the conjecture that the regime's alternative to the controlled succession impasse may even unite the PDS wings, but against the alternative; which would transform it into the generator of a much greater and more serious institutional crisis than the impasse that it sought to solve.

Deputies Acknowledge Candidacy

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 83 p 4

[Text] Brasilia--The president of the chamber, Deputy Flavio Maricilio (PDS) and the second vice president, Deputy Walber Guimaraes (Brazilian Democratic Movement Party--PMDB) yesterday acknowledged the possibility of the emergence and consolidation of a military candidacy to the presidency of the republic.

Flavio Marcilio stated that the possibility of Army Minister Walter Pires emerging as PDS presidential candidate cannot be excluded although there is no indication that he desires that or that it figures in his plans. However, he admitted that the Pires candidacy could figure in Figueiredo's plans because, since the army minister is the person most directly responsible for guaranteeing the consolidation of democracy, after the president of the republic himself, whose policy he supports completely, it would be perfectly logical for him to succeed the president.

The president of the chamber pointed out that there is no sense in making distinctions between civilians and military men, declaring "the important thing is that the candidate have the representativeness and acceptance of the PDS convention."

On the other hand, opposition Deputy Walber Guimaraes, who in the last 24 hours has met twice with Governor Tancredo Neves, interpreted the warming given by President Figueiredo to the PDS in his weekly television program as evidence that if the party does not unite to successfully confront former Governor Paulo Maluf at the national convention to be held in September of next year, the possibility of a military candidacy may become a reality.

Walber Guimaraes maintained that, in view of that prospect, the importance of preserving the unity of the PMDB is essential because in this hypothesis, a candidate from its ranks could reach the presidency through an agreement with the other opposition parties and the support of the PDS dissidents.

The preservation of the unity of the PMDB was the principal topic of the meetings held between Governor Tancredo Neves and PMDB deputies in Brasilia yesterday. Tancredo revealed to some of these congressmen that the lack of coordination between the governors of the party and the deputies or any attempt to oust Deputy Ulysses Guimaraes from the presidency of the party will be the shortest route to destabilize it. According to Tancredo, preventing that from happening is a matter directly linked to the security of the institutions themselves.

8711
CSO: 3342/127

PCB LEGALIZATION DIVIDES CHURCH HIERARCHY

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 May 83 p 6

[Text] Brasilia--The readiness of the secretary general of the Brazilian Communist Party (PCB) Giocondo Dias, to seek out the National Conference of Brazilian Bishops (CNBB) to request religious support for the campaign for legalization of the PCB has already begun to divide the bishops. The leadership of the organization--Dom Ivo Lorscheiter, Dom Benedito Ulhoa Vieira and Dom Luciano Mendes de Almeida--have already spoken out against it; while members of the Pastoral Episcopal Commission (CEP), a sort of ministry of the CNBB, are in favor.

Yesterday, Dom Ivo, president of the CNBB declared: "I am personally opposed to the legalization because I want the democratic truth and a communist party is really opposed to democracy and freedom. I am surprised at the public statements because there was no sounding out."

Dom Benedito Ulhoa, the vice president, recalled the document of Puebla and declared: "Because I am faithful to Puebla, I am against legalization. The final document of the Latin American episcopate condemned three ideologies: collectivism, capitalism and national security. If I do not accept a party of the far right, I also cannot accept a party of that nature."

For his part, Dom Luciano Mendes, the secretary general, stressed respect for the right of organization, declaring, however, that he is opposed to the PCB "because I cannot accept the materialistic view, restrictive of the freedom that belongs to a Brazilian citizen."

"It Helps To Define"

"I believe that in a democracy, all political groups should have the right to express themselves legally. It is the duty of the law to delimit the field of action of those parties," said Dom Celso Queiros, auxiliary bishop of Sao Paulo, with regard to the intentions of the secretary general of the PCB, Giocondo Dias. The bishop said also that the legalization of the Brazilian Communist Party "would help to define positions, avoiding equivocation and the industry of anticommunism, because as long as everything is not open, everyone will be suspect."

Dom Afonso Gregori, auxiliary bishop of Rio de Janeiro and member of the CEP, declared that "he would tolerate" the PCB so that the party could "expound its organization and thinking in a clear manner." Despite that, he remains opposed because "in the current situation, the historical accomplishments of that party do not present any prospect for the future, and for that reason I do not believe that Brazilian communism is in a position to present a plan in keeping with the aspirations of the people. Furthermore, we are critics of the current system in the country. We want it to change along more democratic lines, more participatory and more just. In that case, there would be an inconsistency, at least at the level of ideas, if we were to accept that party."

8711
CSO: 3342/127

STABILE FORECASTS LOSS OF 5 PERCENT OF 1983 CROP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 83 p 27

[Text] Agriculture Minister Amaury Stabile acknowledged that the heavy rains that are falling in the southern states and the drought in the Northeast, especially in Maranhao, will cause a 5 percent drop in over-all food production for the current 1982-83 crop which, in absolute numbers, represents 2.5 million tons. Thus, instead of harvesting 56 million tons, Brazil will get 53.5 million tons of food this year. In the meantime, in Rio Grande do Sul, despite the fact that the rain stopped almost a week ago, reports on losses are still contradictory. In Parana, the Secretariat of Agriculture is still working on the survey of crop losses and in Sao Paulo, according to the Coffee Technical Commission of the Federation of Agriculture, 30 percent of the coffee crop has already been jeopardized.

Rice, with a loss estimated at 800,000 tons, is the product that most concerns the federal government and importing is a possibility already being studied today by officials in the economic area. Eight point eight million tons of rice had been expected but the drought in Maranhao and the rains in the southern states caused what is considered a great loss. Minister Stabile called the month of September the "make-or-break point" that will determine whether or not it will be necessary to purchase that product abroad. He is also awaiting the "carryover," (stock remaining) in the hands of the producers.

According to the figures revealed by the Rio Grande do Sul section of the Brazilian Technical Assistance and Rural Extension Company (EMATER) 600,000 tons of soybean were lost in Rio Grande do Sul. Added to the loss suffered in Parana and Santa Catarina, the ministry expects a loss of 1 millino tons of soybean. Even so, a production of 14.5 million tons is expected, 13.3 percent higher than the 12.8 million tons of soybean harvested last year. The government expects to export $1.5 billion of the soybean complex (bean, meal and oil), an amount 19 percent greater than the $2.1 billion revenue obtained in 1982.

According to the survey made by the Production Financing Company (DVP) last year's bean production will not be repeated. It was the largest in the entire history of Brazilian agriculture, with 3 million tons harvested. However, there is no problem of supply of that product because the CFP had a stock of 480,000 tons carried over from last year. The anticipated loss is 500,000 tons.

Corn completes the list of losses. The CFP admits that 500,000 tons of that product were affected by the bad weather. From an anticipated production of 23.4 million tons, Brazil may harvest 22.9 million tons. In view of that more worrisome outlook than last year's, Minister Stabile announced yesterday after a meeting with President Figueiredo that the PROAGRO (farm insurance) will cover 100 percent of the Basic Cost Amount (VBC), even for those farmers who used less than the total cost amount.

Rio Grande do Sul and Parana

In Rio Grande do Sul, despite the fact that the rains already stopped last week, the reports on agricultural losses in the state are still contradictory. EMATER revealed the result of a survey according to which the over-all losses of soybean, corn and sorghum reached 10.8 percent. In the meantime, the management of the Federation of Agriculture of Rio Grande do Sul cast doubt on EMATER's figures and will reveal its own survey within a week indicating much greater losses.

In Parana, the losses will run around 28 billion cruzeiros which, added to the rains that fell throughout the state between December and March, will amount to more than 80 billion cruzeiros, according to the Department of Rural Economy (DERAL) of the state Secretariat of Agriculture.

In economic terms, the crop most affected was corn, which will drop from an anticipated harvest totaling 5.8 million tons to 5.5 million. Soybean will suffer a loss of 140,000 tons with its harvest dropping from 4.5 million tons to 4.3 million.

Comparatively, however, the greatest loss will be suffered by the sunflower crop: 70 percent of the crop ruined, dropping from 23,000 tons to only 8,000 tons. And beans, which were expected to yield 48,000 tons, will not produce over 30,000 tons.

Coffee, which had already suffered a loss of bean quality of about 10 percent, has lost another 3 percent as a result of the rains. That represents 150,000 sacks lost as a result of the rains and another 800,000 sacks in terms of quality for a projection of a harvest of 5.5 million sacks of beneficiated coffee.

8711
CSO: 3342/127

AEROSPACE PROGRAM SITE AT ALCANTARA DISCUSSED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 May 83 p 21

[Text] Sao Luis--Placid and underdeveloped, the historic municipality of Alcantara on the coast of Maranhao is ceasing to be only a tourist attraction to become the headquarters of largest aerospace field in Latin America. The Air Ministry, which established facilities there a few years ago, is conducting a number of studies and surveys to prepare and execute the complete space mission project which envisages the establishment of the Alcantara Launching Center (CLA) with 100 percent Brazilian technology.

In 1986, the timid residents of the region will witness a scene never before seen by them: the liftoff of the Brazilian rocket Sonda IV, designed to transport a payload of 300 kilos to an altitude of 1,000 kilometers. Like all the other rockets in the Sonda series, the Sonda IV is being developed in the Space Activities Institute in Sao Jose dos Campos (Sao Paulo) and its first stage will be comprised of the basic engine of the Satellite Launching Vehicle (VLS-S).

The Plan

The launching of the VLS-S is scheduled for 1989. Measuring about 16 meters, it will place in orbit the first national satellite, for meterological and prospecting purposes. That satellite is being developed in the National Space Research Institute.

In Sao Luis this week, the executive director of the group that is establishing the CLA, Colonel Armando Monteiro, guaranteed once again that the program does not have a military purpose. According to him, it has purely scientific objectives which, when achieved, will benefit various segments of the civilian industry and the economy of the country.

Remanagement

The Alcantara launching center will occupy an area of 520 million square meters which were declared of public utility for purposes of expropriation by the government of Maranchao in 1980. About 500 families residing in the area will be indemnified by the Air Ministry and will receive free parcels of land in as yet undetermined locales in the municipality, in addition to a house in the agrotowns that will be built beginning next year.

In the agrotowns, the small farmers of Alcantara will have a basic infrastructure, social assistance and education, and will be instructed on agricultural-livestock techniques by specialized personnel.

Why Alcantara?

The City of Alcantara historically preceded Sao Luis, the capital of Maranhao. The small locality was raised to a town in 1648 and enjoyed great progress in the 18th Century but did not maintain the same rate of development beginning in the 19th Century when the state's sugar industry boom occurred.

Following the country's timid entry into the space age in 1965, with Project Sonda, the Barreira do Inferno launching field became limited by the end of the seventies as a result of the development of technology which made feasible the more sophisticated stage, that of satellites. It then became necessary to select an area for another field, one of larger size that would permit the development of a new program.

The Air Ministry then assumed the commitment to respect the historical heritage of Alcantara, preserving the colonial relics in the course of executing the space field project. The monuments of the old city will be restored and tourism stimulated but the architectural characteristics will remain.

As for the reasons for the selection of Alcantara, the exceptional position of the municipality weighed sufficiently for the new field to be built in it. Alcantara is near the line of the Equator, presenting an ideal situation for launchings of satellites in equatorial orbits, resulting in a great savings of fuel.

Another factor considered was the logistic aspect because the center will need the support of land, sea and air transportation.

8711
CSO: 3342/124

3D ARMY COMMANDER SAYS MILITARY WILL ACCEPT DIRECT ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 83 p 5

[Text] Porto Alegre--Commenting yesterday in Porto Alegre on the statement made to Dutch Prime Minister Ruud Lubbers by the president of the senate, Nilo Coelho (Social Democratic Party--PDS--Pernambuco) that "the last phase of the Brazilian political liberalization process is direct elections for the presidency of the republic, which will come within a short period," the commander of the 3d Army, General Henrique Beckmann Filho, asserted that "if congress approves a measure of that type, the military will accept it." "The military are prefectly in tune with the problem of democratic liberalization," he emphasized.

In a press interview before giving a talk at the luncheon-meeting of the Federation of Trade Associations of Rio Grande do Sul, General Henrique Beckmann Filho added, however, that in his opinion "indirect election is a democratic process; you have that system in various democracies."

Asked if, as has already been considered, Army Minister Walter Pires could be named to succeed President Figueiredo in case the PDS cannot reach a consensus on the various names that have currently been proposed, the 3d Army commander stressed: "You know that I do not like to respond to political questions, especially when they involve our minister. He is a Brazilian. Now, I do not know if he is going to accept. With so much presidential timber, he can also be one."

A reporter asked who the general supports to succeed President Figueiredo. "I do not support anybody. I do not vote. The election is indirect. We will support whoever is named by the party and is elected," he replied. In the opinion of the 3d Army commander, it is important, as the president wishes, to have a consensus for naming his successor.

"Look at how many presidential hopefuls there are," he stressed. "So if all of those names are presented in a convention of the party, I do not know if that really represents the majority of the party." General Henrique Beckmann Filho added that since various names have been presented perhaps the selection should be processed "successively, in various phases. The fewer candidates are presented to the convention the better. But I believe that if President Figueiredo continues to strive in that aspect, he will achieve a consensus."

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CSO: 3342/124

FIRST ANTARCTIC BASE TO BE ESTABLISHED IN SUMMER 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 May 83 p 10

[Text] Porto-Alegre--Brazil is going to establish its own base in the Antarctic next summer, beginning with the module for 15 persons which can be expanded in following summers according to the requirements of the scientific programs that will gradually be established in the polar region. That is what the coordinator of the Brazilian Antarctic program, Vice Admiral Mucio Piragibe Ribeiro de Bakker, who is in the city of Rio Grande, 300 kilometers from Porto Alegre, said yesterday. He revealed that price quotations are being gathered for construction o the mobile installations by national industry.

All of the equipment--a sort of container for habitation, leisure, bathroom, power eating facilities--will be transported by the ship "Barao de Teffe" at the beginning of the thaw. The modular project initially will have as its priorities the construction of the base itself and the studies of the University of Sao Paulo on marine biology, accordint to Bakker.

He is also awaiting, within 2 months, a new design that will be presented by the Polish ship industry for the construction of a new syip to support the Brazilian research at the South Pole. "The ship previously offered by Poland did not meet the necessary specifications and a new design is being prepared," he explained. Until the construction of the ship, which will require about 2 years, the program will proceed with the "Barrao de Teffe" and the "Professor Besnard," the former for the support and construction of the base and the latter for conducting oceanographic studies.

Bakker added that the scientific programs will be improved as the infra-structure grows. "Initially, only certain scientists will go on the ship and the base. It is not possible to bring everybody," he said, anticipating that gradually the modules will be expanded to receive the meterology, geophysics and geology teams.

With regard to the new ship, he stressed that it is not likely that the shipyards could participate in the construction because of the technological level required. Since Brazil has a foreign exchange crecit with Poland, he recalled, "it will be more in our interest to build it abroad."

Bakker is studying the offer of the Polish Government, which offered seven positions in its base at Arctowski in the Antarctic. "The Poles have much interest as of now in generating a greater exchange between our scientific projects," he observed. The site where the Brazilian base will be located has not yet been defined. According to Bakker, the only certainty is that it will be built on the Antarctic Peninsula, where the research political is considered to be very great.

8711
CSO: 3342/124

BRIEFS

TEMPORARY UNE SITE--The president of the National Students Union (UNE), Clara Araujo sent a memorandum yesterday to Governor Leonel Brizola asking that the building at 243 Catete Street be used by the organization. Helder Parana do Couto, an aide to the governor, said that the property will be granted to the UNE temporarily. Later, when the students obtain a definitive site, the mansion on Catete Street will be given to the Magistrates College, as desired by the secretary of justice, Vivaldo Barbosa, chairman of the state committee that is dealing with the UNE problem. Vivaldo knows the building because he studied there as a student in the old Rio de Janeiro Law School. Helio do Couto, a biologist, is acting as an intermediary between the UNE and the state government by appointment of the governor. He explained yesterday that granting the building to serve as UNE headquarters was one of the governor's election campaign pledges although that organization did not support Leonel Brizola. Although the Catete mansion has been nominally granted to the UNE, it will also be used by the State Students Union (UEE), the Brazilian Union of Secondary Students (UBES) and the Metropolitan Association of Secondary Students (AMES). [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 May 83 p 13] 8711

CACEX ON MAY SURPLUS--The director of the Foreign Trade Department of the Bank of Brazil (CACEX), Carlos Viacava, revealed in Belo HOrizonte yesterday that Brazilian exports for the month of May were between $1.9 and $2 billion. Although he did not yet have the import figures for that same month, he guaranteed that the balance achieved "will be over $500 million." Stressing that this balance is "more the result of the increase of exports than of a reduction of imports," Viacava said that in view of the recent foreign trade results obtained, the target of closing the year with a balance of $6 billion in the trade balance "is being viewed with great equanimity." Viacava, who went to Belo Horizonte to participate in the presentation of awards to the 11 Minas companies that exported the most in 1982, also declared that after a 16-month decline, the value of Brazilian exports showed a rise of 1 percent during the period January-April of this year compared to the same period in 1982. According to the CACEX director, the $6 billion goal "is not a dream since the first 5 months of the year we have already achieved a surplus of $2 billion, that is, a third of the

total desired." He pointed out that in fact those $2 billion were achieved in only 3 months since the result in January and February were practically nil. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 83 p 21] 8711

LANGONI RESIGNATION DENIAL--The president of the Central Bank, Carlos Geraldo Langoni, denied in Rio yesterday that he had sent a letter to the government requesting his resignation from his position. He asked also that the question not be raised because he did not like to "comment on rumors." At ease and even smiling, Langoni added that when he presentes his resignation as president of the Central Bank, he will convene the reporters so that the press "will be the first to know of my decision." On being asked if he knew of people supposedly already chosen to replace him, such as Professor Afonso Celso Pastore, former secretary of finance for the state of Sao Paulo, he replied in thenegative. "But he would be a good man to occupy the presidency of the Central Bank," he added. Langoni spent almost all of yesterday in his office in Rio where he has been since the end of last week. Finance Ministry spokesman Pedro Luiz Rodrigues also denied the rumors that the president of the Central Bank had resigned. However, anticipation persists among the experts in view of persistent commentaries about a disagreement between Galves and Langoni. According to the experts, Langoni's statement that the current economic policy is socially bad was deeply discomforting to Galveas and Delfim. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 83 p 20] 8711

PLP MANIFESTO RELEASED--The Progressive Liberation Party (PLP), which is in the process of formation and one of whose coordinators is former Deputy Adhemar de Barros Filho, released a manifesto the nation yesterday, declaring its commitment to democracy and the welfare of the people and its struggle for the economic emancipation of the nation as the "only means of providing continuity and tradition for the democratic process" and insuring that the country "will move firmly in the direction of social stability." According to the manifesto, the PLP defines itself as "a reformist program, aimed at socializing progress more and more within the Christian principles that guide the tradition of the Brazilian people." And it proposes to "modify anachronistic structures and raise the human and social sense of all decisions, consequently contesting all conditional pragmatism damaging in its results that has been the keynote of our domestic policy in recent years." The PLP preaches "a policy of tax decentralization, interchanging the constitutional text as it pertains to the states and municipalities, consultation of the various segments of society "in the multiple actions that comprise, govern and make up nationa life," reestablish of the prerogatives of the legislature, adoption of a parliamentary system of government and Latin American integration, "establishing reciprocal trade and cultural systems and expanding the range of exchange of goods and services." The manifesto stresses that "the PLP will strive the encouragement of full development of the industrial and agricultural-livestock sectors" and will fight for the enhancement of the labor unions," pointing out that "the right to strike regulated in a fair and modern way will be the priority banner of the group." The defense of the environment and the technological independence of the country will also be highlighted. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jun 83 p 4] 8711

CSO: 3342/127

POSSIBLE PRESIDENTIAL CANDIDATES, COALITIONS VIEWED

Guayaquil VISTAZO in Spanish 20 May 83 p 10

[Text] In the last analysis, so far we have no candidate whatever for the Ecuadorean presidency who has declared himself officially. The only one who had thrown his hat in the ring, Dr Jorge Zavala Baquerizo, was eliminated at an ordinary meeting of the Liberal Party's [PL] provincial executives. The other candidates are waiting for the appropriate time to declare themselves or are still discussing strategies, possibilities, or alliances.

Three candidates who are still undeclared are nevertheless certain to enter the race: Engineer Leon Febres Cordero, Dr Julio Cesar Trujillo, and Dr Hugo Ordonez Espinosa. The latter, at one time affiliated with the FRA [Alfarist Radical Front], is only waiting for his party's June meeting to make it official.

Another sure candidate, but one who is at first sight vacillating incomprehensibly, is Dr Rodrigo Borja Cevallos, who gives the impression that he pays more attention at asserting his personality at international meetings of social democratic persuasion or more specifically of the Socialist International, for which reason he has held a low profile in Ecuador while the others have become active.

In contrast, the PL, the CFP [Concentration of Popular Forces], the PNR [Nationalist Revolutionary Party], and the MIN [Independent Nationalist Movement] are struggling with indecisions. The CFP opted for an alliance with the Liberal Party, suggesting the candidacy of Dr Raul Clemente Huerta, but the latter did not accept. The PNR joined the MIN, throwing into the presidential ring the name of engineer Rodolfo Baquerizo Nazur, who also refused to be a candidate. One gets the impression that the four parties are trying to conceal their fear of meeting the challenge of the elections alone.

As we all know, the FADI [Broad Front of the Left] is merely struggling to survive while the MPD [Democratic Popular Movement] is seeking to expand its bases so that it may play a dignified role in the elections in keeping with the parliamentary endeavors of its sole leader, lawyer Jaime Hurtado, since he will have to relinquish a parliamentary seat which has been his best forum.

The parties with an undeclared candidate are the Center-Right with Febres Cordero; the FRA with Ordonez Espinosa; the Democratic Left with Borja Cevallos; and the Popular Democracy [DP] with Trujillo Vasquez, and they are now seeking vice presidential candidates representing the well-known "regional" and naturally ideological balance for the slate, or "binomial" as we call it.

In connection with Febres Cordero, the name of Dr Gonzalo Zambrano has been mentioned as a possible running mate. But stress is laid on the fact that in the last analysis the Liberal Party will achieve the "national reconstruction" slate with one of its own men.

The "binomials" of the ID and the DP depend on the alliances that they manage to strike even though Ridrigo Borja holds the view that the formation of fronts is not necessary to rout the Right, that his Democratic Left is sufficient. Dr Trujillo agrees to being a candidate but maintains a deep silence on themakeup of his slate. Could he be building a DP-PD alliance?

Or a Democratic Left-Democratic Party front? For Francisco Huerta and Rodrigo Borja are talking, undoubtedly of electoral problems.

2662
CSO: 3348/452

PRESIDENT'S POSITION ON CONSTITUTIONAL REFORMS ANNOUNCED

Guayaquil EL UNIVERSO in Spanish 3 Jun 83 p 11

[Text] Quito--The government's press secretary, Ernesto Alban Gomez, said that Ecuador's president will not withdraw the government bill to amend the Constitution introduced by the executive and that neither will he call a plebiscite no matter what the action of the Chamber of Representatives.

This is the response of the national government to the requests by the director general of the Conservative Party [PC] claiming that the government must withdraw its bill and that the substitution of the "political judgment of President Osvaldo Hurtado Larrea" in the Chamber for a plebiscite for the approval of the reforms violates the Constitution.

Ernesto Alban Gomez reiterated the fact that the government bill was drafted with the purpose of finding better or broader possibilities of government during the coming presidential terms without in any way favoring the existing administration and that it is in keeping with a historic commitment to the country and to democracy.

Will Not Seek a Plebiscite

Alban Gomez also asserted once more that the president will not seek a plebiscite in case the reforms proposed by the government are not approved by the Chamber of Representatives any more than the president would hold one if reforms objectionable to him were proposed.

Grave Conflict

Alban Gomez noted that to seek a plebiscite or popular referendum under existing conditions in the next few months would be tantamount to beclouding the electoral campaign under way, and constitutional reforms should not be allowed to interfere with an electoral campaign.

Alban Gomez stressed that there exists a precedent regarding the calling of a plebiscite which occurred when former President Jaime Roldos Aguilera desisted from this constitutional option after the Chamber rejected a bill, also involving constitutional reforms, which the late president had sent to the parliament.

Alban Gomez added that neither does the constitutional tradition mandate a time or time limit for holding a plebiscite.

Inconsistency

Alban Gomez noted that he considers the statements of the Conservative Party leader to be inconsistent because he recalled--and he characterized this as surprising--that a few days earlier the same Conservative Party leader had stated that what the president was trying to do was to hold a plebiscite to confuse the elections. But a few days later the Conservative Party leader asserted that not to call a plebiscite violated the Constitution. "It seems that there is no consistency in the statements of the Conservative leader," Alban Gomez said, since, within a few days, "he was making two contradictory statements."

Alvarez Grau's Opinion

The minister of government and justice noted that the decisions and actions approved by the central government must meet tht needs of and beneift the entire country rather than the wishes of one political group or another.

The minister alluded to the request of the Conservative Party that the Ecuadorean president withdraw from the Chamber of Representatives the government bill that he had sent containing amendments to the Constitution.

Minister Vladimiro Alvarez Grau noted that perhaps the request implies that the president does not have such power which is conferred on him by that same Constitution.

Learning to Live

Alverez Grau said that we have to learn to live with the constitutional system, to learn to coexist with the many options, duties, powers, oblitations, and rights established by the constitutional order. This is undoubtedly very difficult but it is our obligation to make a serious effort to remain within the parameters of democratic tradition and a pluralistic system.

He recalled that President Hurtado Larrea, using the powers conferred on him by law, introduced a bill containing constitutional reforms, evidencing his judgment in an earnest stand, dispassionate rather than personalized, which he will maintain, noting at the same time that the decisions reached by the Chamber of Representatives in this constitutional issue will have to be faced in a considered manner and in accordance with the country's political needs.

No to plebiscite

The minister also ratified the decision of President Hurtado Larrea of not holding a plebiscite no matter what the action of the Chamber of Representatives, and he justified the president's refusal by mentioning the risk involved in calling a plebiscite just before the electoral campaign.

As for the allegation that for the president not to call a plebiscite would violate the Constitution, Alvarez Grau noted that such a charge represented a political opinion of the Conservatives and that obviously each one is striving to promote his own goals.

2662
CSO: 3348/452

ANEP URGES FIRM STAND IN PRESENT CRISIS

San Salvador DIARIO LATINO in Spanish 25 May 83 pp 3, 9

[Text] The National Association of Private Enterprise (ANEP), faced with a national crisis and the political year the nation is undergoing, makes the following points:

1. FMLN (Farabundo Matri National Liberation Front) terrorists, led by Sandinist communism, are continuing the strategy of destroying the physical infrastructure which allows economic development in the country and the productive structure which generates work flow and keeps the national workload active.

2. It seeks with this destruction to terrorize, scare off and intimidate the farmer, the businessman, the industrialist, the transportation worker, the salesman--in summary, every determined producer within the country who, on fleeing, would give up sources of production and work, leaving destruction and poverty.

3. Terrorists recognize that control of the entire nation is impossible, due to a lack of public support, and for logistical reasons they seek, with their strategy of terror and destruction, to achieve one or both of the following objectives:

a) to stop the political process taking place through the use of terror which they claim holds forth in certain areas of the country, and

b) to seek enforcement as their last resort as what to negotiate in sharing power.

ANEP, faced with this situation, reminds all the Salvadoran people that the members of the production sector who constitute the vanguard in our struggle in the eastern zone, have not yielded a single piece of territory and together with the fighting soldier in the army, they keep their eastern front positions strong.

ANEP, now more than ever, believes that we should keep our fighting spirit high. It has fallen to the heroes in the east, fighting soldiers and brave producers, to stop and to humiliate the aggressor in that part of the country.

It is for us, the remaining soldiers in arms and in production, to give them overwhelming support so that terror can be stopped. Our support should be framed in patriotism, austerity and in a deep spirit of sacrifice.

What is at stake for all Salvadorans in this year of 1983 with its elections is too important to let a small group managed by Sandino-communists to stand in its way. The people of El Salvador should again be aware that they have to participate with their whole being, their soul and their spirit to forge our nation's destiny with the sacred right of and the sacred obligation to the vote. Never should anyone ever interfere with or stop the exercise of our sovereignty. Only in that way will we be able to show the world that we are a truly free people.

9908
CSO: 3248/877

ASSEMBLY APPROVES CONTINUING GASOHOL PLANT CONSTRUCTION

San Salvador LA PRENSA GRAFICA in Spanish 27 May 83 pp 3, 60

[Text] The assembly approved yesterday by 31 votes the resolution for the continued construction of the gasohol plant. The full assembly recognized in yesterday's session the conclusions of the economic commission and the vote was 31 in favor, 9 abstentions, and 10 against.

The abstentions were from the deputies of PAISA [Authentic Salvadoran Party], the 10 negative notes from ARENA [Nationalist Republican Alliance]; and Christian Democratic Action, National Conciliation and Salvadoran Popular Party voted in favor, making the 31 votes which decided the continuation of the plant, already under construction.

The resolution states that the installation of the anhydrous ethyl alcohol distillery is considered to be of great benefit to the country, since it will improve the balance of payments, using a smaller amount of foreign exchange for the importation of petroleum.

Thus concluded the assembly's commission on economy and agriculture with which it regarded the resolution favorably in the sense that the work will continue under the supervision of the Venezuelan company, "Commercializadora de Bienes y Technologia, S.A." (CBT, S.A.) and which will cost 30 million colons.

On the other hand, the resolution of the assembly's commission indicates that it has not been able to verify the existence of bids prior to the one presented by CBT, but it was definitely reported that according to the study made by the Spanish firm "SENER," contracted by the United Nations Development Program, that a distillery for anhydrous ethly alcohol with a daily production capacity of 60,000 liters, and with the expansion of the Jiboa sugar mill would cost 12.5 million dollars which is larger by almost 2 million dollars than the price stipulated by the company, CBT.

With regard to the issue raised by agriculture and cattle-raising entities regarding a scarcity of raw materials (molasses), as a consequence of the installation of th alcohol-producing plant, the Economic and Agricultural Commission has determined that at present there eixsts sufficient molasses for the project to get under way and that the possibilities of increasing the cultivation of sugarcane, according to statistics of INAZUCAR, as overseer of the country's sugarcane industry, would be able to supply the demand for molasses.

In conclusion and after the corresponding study and analysis of all the verbal and written information obtained, the assembly's commission considered that all the studies of feasibility, contracting and execution of the work have been done observing legal requirements and good sense, they therefore concluded that "the installation of the anhydrous ethyl alcohol plant be continued," recommending to the Ministry of Planning and Coordination of Economic and Social Development and to CEL [Executive Hydroelectric Commission of the River Lempa], which will undertake rigorous supervision of the installation, seeing to it that all specifications, time limits and other stipulations are complied with, so that the plant is constructed in the shortest possible time and production of this type of alcohol be obtained without delay which will bring benefits to the Salvadoran people.

Finally, when the president of the assembly submitted the background of the resolution, the political parties PAISA, PPS [Salvadoran Popular Party], and ARENA, voted their positions regarding the resolution and these were: PAISA, abstention; PPS, in favor, but with suggestions; and ARENA, against the resolution. The continuation of the work was approved by 31 votes in favor and 19 against.

9678
CSO: 3248/878

AEAS REQUESTS NEW LOAN TERMS TO REBUILD BUS FLEET

San Salvador EL MUNDO in Spanish 25 May 83 p 2

[Text] The managers of the Association of Salvadoran Bus Owners (AEAS) say more than 800 buses have been destroyed since the beginning of violence, stating that in that number 50 percent of the vehicles are totally unusable, plunging a high percentage of enterprises and cooperatives into despair.

The most serious matter, they stressed in a report released to the news media, is that entrepreneurs and cooperativists who have lost these buses, are not subjects for credit, for which AEAS has been suggesting that in the distribution of Argentine buses, that said businesses and cooperatives take priorities into account.

At the same time, the leadership in AEAS say the buses, in view of what has already been stated and with a view towards an economic resurge in the transportation sector, that they be sold under the following circumstances:

a) a collateral guarantee that it is the same bus;

b) no surcharge;

c) a daily share of 100 colons in the city and 75 colons interdepartmental; and

d) an amortization period of 5 years.

9908
CSO: 3248/877

RIOS MONTT CHARGES POLITICO-ECONOMIC BLOCKADE OF NATION

Guatemala City PRENSA LIBRE in Spanish 23 May 83 pp 2, 65

[Text] President Rios Montt in his Sunday talk said that there is a politico-economic blockade against Guatemala. He said that the blockade is being put into effect in "special places where international politics are controlled and where it is said that nothing should be given to Guatemala." He said the blockade "has seriously harmed us." We are trying to solve this problem in which everything is controlled and the people who have money know very well how to control us. They are part of the team of controllers and manipulators. That is why there is an economic blockade which is the same as a political blockade and it has greatly harmed us. In addition, the Central American Common Market has run out of ideas and objectives. Everyone is trying to get more out of its and this has also harmed us enormously. All this has great repercussions which affect all social strata.

Political Situation

He also spoke of the political situation and the supreme electoral council. He said the former "is already becoming very serious, very significant. A supreme electoral council has already been elected. That supreme electoral council will be the highest body for governing and guaranteeing the exercise of suffrage. "This week we will try to get in touch with these people whom we do not know. What is even better is that we did not have an opportunity to talk with them until after they were elected in such a way as to attest to the genuiness of the election and the credibility of the government."

Economic Problems

Later on he added, "Naturally this is not the subject which interests a certain group of Guatemalans. What interests them more than politics is the economic problem. I want to tell you that on 23 March 1982 we found a Guatemala which was at war and bankrupt. I am not just saying this now--I have been saying it since March 1982. Just imagine the economic situation in 1978 when US$ 745 million were received through business transactions and loans. This money came into the country by the end of 1978. By March 1982, not even $ 60 million dollars had been received, a difference of $ 680 million dollars. And if in addition to this difference we look at the foreign exchange business of the moneylenders in which the dollars is

sold with a surcahrge of 30 or 50 cents or even more... This has enormously affected the foreign exchange problem and this even affects us when we pay our petroleum invoices. Remember that a long time ago I said that we would not have foreign exchange with which to buy our gasoline. That has come true. What is happening is that you did not want to understand our conversations. We are telling the truth, real, solid facts. We are telling you what is happening and what is not happening. But there has been a lack of collaboration. This lack of collaboration is precisely due to the fact that we are not trained to do our duty but we are trained to fill our stomachs. This is a great fault on the part of Guatemalans and this is what we must change.

Budget

"The government budget problem is very serious. It is very serious due to our inheritance. The public expenditures of the previous regime were almost US$ 640 million of income from bonds, a spurious currency. That neormous deficit is the real difference between what is exported and what is imported. That difference between what we produced and what we spent has placed us in a tremendous spiral. We have almost been buried with special policies trying to put in balance, but we must understand this: you and I who are not experts, let's look at exports, for example. What we sell not only has dropped in price but they also have reduced the quotas, while prices of the imports have risen. Since there is a shortage of foreign exchange, the prices have risen even more.

On Devaluation

"Lately a problem has become fashionable in the nations near us here in the Central American area. They have told us that we must devalue if we want to maintain a balance of payments. We began to study this problem The experts began to study it, many experts made studies and we have received much guidance on this subject. The conclusion arrived at is that a devaluation is not worthwhile.

"Well, if there is to be no devaluation, there must be an alternative measure. Since March 1982 we have been telling you that we have been studying the economic situation. We have short term, medium term and long term problems and one of the policies we were going to follow dealt with the problem of revision of taxes. We have been studying this 'tax package,' since the beginning of the year. Almost before the beginning of 1983 we began studying the procedure, the process and the most appropriate way to change the tax system. Many think that they can run the government with their opinions but it distresses me and worries me very much that you attempt to give opinions on a matter you are unacquainted with. I did not have the bill in my hands until 5 days ago. Can you imagine? Now I must study it with all my experts and entire cabinet. I must see if there are matters of which they are not in favor and which must be eliminated. Those things which are not good must be replaced. What is certain is that we will make a review and we are going to bring the tax system up to date."

"Manipulation"

"I wish to draw an interesting conclusion. There are politicians who call themselves politicians, who say they are politicians. The political schemers call themselves political financiers or, pardon my saying so, just financiers. All of those who do business through manipulation, including the instruments they manipulate, have always shown what they really are--instruments. They give opinions about matters about which they have no knowledge, about actions that have not been made public. The one important fact I want you to know and feel sure of is that I am here with a different purpose. First, I do not look after the interests of any particular sector; I am neither bought nor sold to any sector. I am neither bought nor sold to any party. I belong to Guatemala. My interest is in Guatemala.

"If we did not devaluate, it was because we did not want to harm more than 80 percent of the Guetemalans. But if, in order to improve the way of life of 70 percent of theGuatemalans, others must be harmed, we will do so. In brief, we will do so because I am not going to try to make you feel good so as to continue living a farce and a lie in our nation. We are always busordinate to someone. We want to live in the American style without paying American taxes. We want to live in the European life without paying European taxes. Let us reason this out: either we are Guatemalans or we are a colony; but what is more, if we are a colony we will have to pay even more. Learn about life in Puerto Rico which is a state, not a colony. It is an associated state. Another important thing you must consider: do not be a miser; do not think about your money alone; think about the security of your nation. Or do you prefer to fall into the blutches of the communists or of the anticommunists, the fruit of which we see here near us? What do you want to do?

"We are not attempting to take one cent for ourselves. Moreover, we are also not interested in adopting programs which will destabilize the regime."

He ended saying, "Forgive me, but my decisions are not to benefit one sector nor to win an election campaign. My decisions are for the welfare of Guatemala and to honor God. May God hear us."

9204
CSO: 3248/876

NATION APPROACHES PETROLEUM SELF-SUFFICIENCY

Guatemala City EL IMPARCIAL in Spanish 10 May 83 p 1, 10

[Text] The gap between this country's petroleum production and consumption is narrowing, as the 6,000 to 7,000 barrels which the Tierra Blanca well, at El Peten, is expected to produce will bring our total output to 17,000 barrels a day, while estimated total consumption is 33,000 to 34,000 barrels a day.

In time, this will allow Guatemala to become self-sufficient in energy resources. Given the fuel savings generated by the Chixoy hydroelectric plant and the increase in production volume, there will be an annual savings on the order of a million zuetzals in fuel purchases, said certain petroleum technicians connected with the office of the Secretary of Mining and Hydrocarbons.

This morning Colonel Alejandro Contreras, secretary of mining, traveled to the geographic dome where petroleum has emerged in encouraging quantities. He was accompanied by other technical staffers from the Secretary's office and agents of the French firm Elf Aquitaine, which holds the concessions for the area where petroleum was found at El Peten, near the dome at Rubelsanto, Chinaja, etc.

Sources confirmed that production at the Tierra Blanca well is the highest in the history of this country's search for its principal fuel, and with the 6,000 to 7,000 barrels which are reportedly being pumped out daly, the country's 1982 level of production will double.

Estimates of volume were based on rock formation tests, and production tests to determine exactly what the well's real potential is will begin soon. Tierra Blanca is the highest-producing well, and has yielded the greatest quantity of black gold in recent years in Guatemala.

Production at Tierra Blanca has surpassed previous levels at the Rubelsanto, Chinaja, and other wells.

9839
CSO: 3248/840

ENERGY MINISTRY DEFINES CONSUMPTION, EFFECT ON BALANCE OF PAYMENTS

Guatemala City PRENSA LIBRE in Spanish 15 May 83 pp 6, 37

[Article by German Duarte Castaneda: "Guatemala and the Oil Crisis"]

[Text] According to the Secretariat of Mining, Hydrocarbons and Nuclear Energy, the world oil crisis has not only helped to damage the national economy, it has also contributed to the sharp decline in our monetary reserves.

The crisis, the secretariat states, began in 1973 and has constituted--directly or indirectly in recent years--one of the causes of the negative increase in the country's foreign trade deficit.

The same well-informed source consulted states that oil imports in 1977 represented 13 percent of all imports, climbing to 16.1 percent in 1979. Two years later, in 1981, they represented 21.6 percent, for a total of 361 million.

Frame of Reference

To have a frame of reference of the way in which imports of oil and its derivatives affect the national economy, the Secretariat of Mining and Hydrocarbons compared them with the principal export product (coffee); thus in 1980, petroleum imports cost $241.9 million, while coffee exports amounted to 463.9 million quetzales. Then in 1981, a pronounced imbalance occurred, with crude oil imports at approximately $361 million, in comparison to coffee exports at only 294.8 million quetzales.

The 1983 Oil Bill

Based on an analysis made by the Secretariat of Mining and Hydrocarbons, the estimated amount of this year's oil bill comes to 328 million for the purchase of both reconstituted petroleum and its derivatives. Taking into account the drop in prices on the international market, however, the amount of that bill could be approximately 310 million, to cover consumption of 9,200,000 barrels this year, or 25,000 barrels a day for a value of $850,000.

In his explanation of the situation which has occurred in the case of exports and the countervailing imports of petroleum, engineer Leonel Lopez Rodas,

adviser to the Secretariat of Mining, Hydrocarbons and Nuclear Energy, said that after several years of rapid economic growth, the national economy entered a transition period affected by events of a regional and international nature. This situation worsened as a result of the drop in the prices of the principal export products (coffee, sugar, cotton, meat, etc.) and the operational problems of the Central American Common Market.

Thus--the analytical study states--this situation caused a decline in purchasing power. Then the energy sector exerted pressure on the foreign trade sector as a result of the increases in the price of hydrocarbons since 1973. It was not until February of this year that Guatemala obtained a 9-percent reduction of those prices.

However, the document points out, apart from the serious balance of payments problem which has arisen, we must be aware that the foreign trade sector would suffocate sooner or later if the observed trends in the country's energy consumption continue.

Commercial Products Derived from Domestically Consumed Petroleum and Respective Percentages:

Product	%
Propane-Butane	4.1
Regular Gasoline	10.0
Premium Gasoline	9.4
Kerosene & Jet Fuel	8.1
Diesel Fuel	37.2
Bunker Fuel Oil	26.1
Crude Oil	2.8
Other Products	2.3

Who consumes fuels in Guatemala and in what percentages? The Secretariat of Mining and Hydrocarbons answers this question as follows:

Sector	Thousands:	%
Residential	695.9	9.6
Commercial	271.0	3.8
Government	587.9	8.2
Industry	1,652.4	23.0
Agriculture	478.7	6.6
Transportation	3,507.3	48.6
Other Sectors	12.1	0.1
Total	7,205.6	100.0

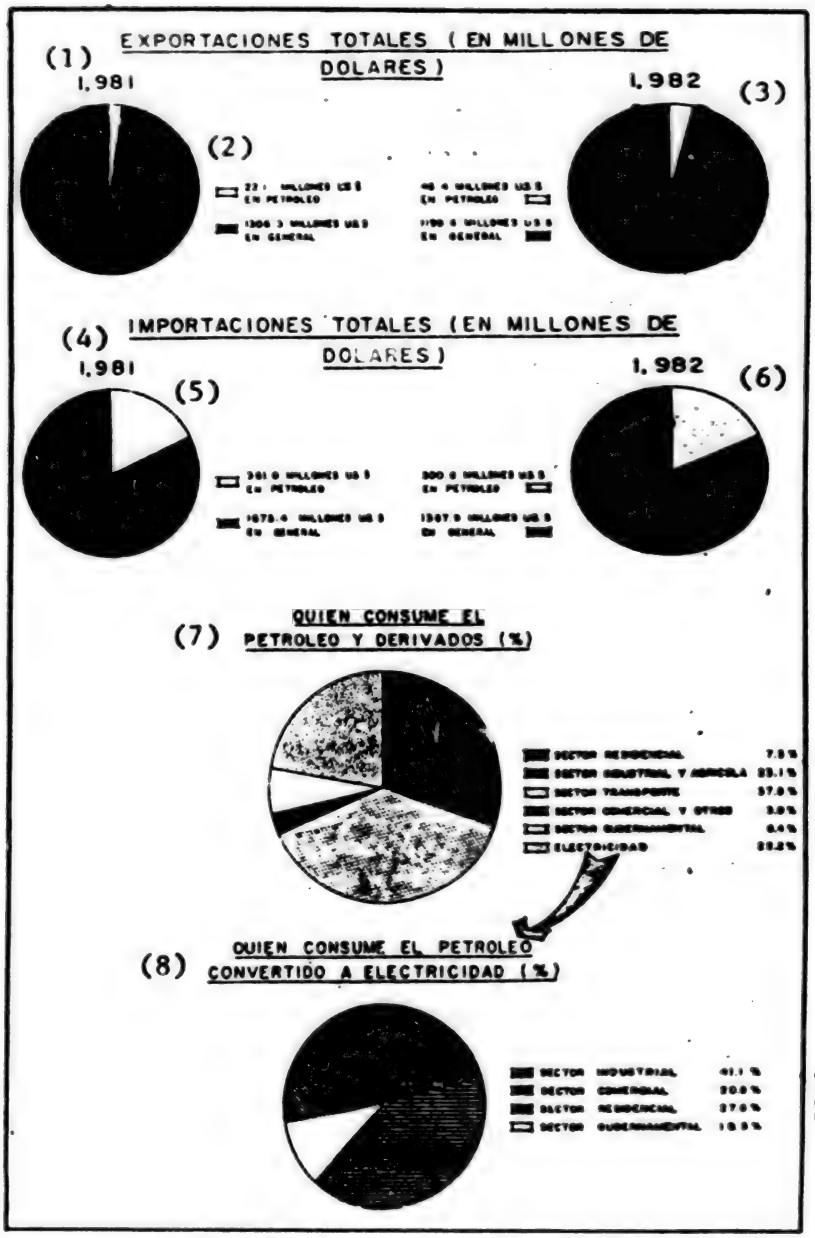
At this stage, the Secretariat of Mining and Hydrocarbons has precisely identified the problem which energy consumption currently represents in order to justify the implementation of the rationalization policy by the government in that connection. Thus we find that the sectors of transportation and industry alone account for 71.6 percent of all consumption.

(1) ESTIMACION DEL CONSUMO EN HOGAR GUATEMALTECO PROMEDIO

APLICADO (2)	CONSUMO KWH/CONSUMO (3)	
Refrigerador	78	Q. 10.14
Lavadora	9	Q. 1.17
Plancha de mano	25	Q. 3.25
Televisión	27	Q. 3.51
Iluminación (6-8 hab.)	60	Q. 7.80
Calentador de agua para regadera	150	Q. 19.50
TOTAL	349	Q. 45.37

Key:

1. Estimated Average Guatemalan Household Consumption
2. Appliance
3. Monthly KWH Consumption
a. Refrigerator
b. Washer
c. Iron
d. Television
e. Lighting (6-8 rooms)
f. Water heater for shower-bath
g. Total



Key:
1. Total Exports (in millions of dollars)
2. 1981: US$22.2 in oil, US$1306.3 in general
3. 1982: US$ 46.4 in oil, US$1199.6 in general
4. Total Imports (in millions of dollars)
5. 1981: US$361.0 in oil, US$1673.4 in general
6. 1982: US$300.8 in oil, US$1387.9 in general
7. Who Consumes Petroleum and Its Derivatives (%)
a. Residential Sector, 7.5%
b. Industrial and Agricultural Sectors, 23.1%
c. Transportation Sector, 37.8%
d. Commercial and Other Sectors, 3.0%
e. Government Sector, 6.4%
f. Electricity, 22.2%
8. Who Consumes Petroleum Converted to Electricity (%)
a. Industrial Sector, 41.1%
b. Commercial Sector, 20.8%
c. Residential Sector, 27.6%
d. Government Sector, 10.5%

"An analysis of the transportation sector," Lopez Rodas stated, "shows us that it alone annually consumes the equivalent of $112 million, which represents $306,866 (equivalent to quetzales) [as published]. Then, when that is added to industry's consumption, it constitutes an outlay of 164.8 million and, in short, represents 10 percent of the value of the country's total imports.

"But there is also an additional consumption of fuel used by the Electric Power Company of Guatemala, Inc., and the National Institute of Electrification (INDE) for generating electricity. Together, they consume 2,059,600 barrels, representing 22.6 percent of the country's total consumption, which means that we annually spend 65.7 million to generate electricity."

Who Consumes Electricity

Sector:	MwH:	%
Residential	321,404	27.6
Commercial	242,675	20.8
Industrial	4,788,734	41.1
Government	120,946	10.5

Seventy-seven percent of this electricity--the study of the Secretariat of Mining and Hydrocarbons continues--is currently generated using petroleum derivatives; industry is the largest consumer, at 41 percent, followed by the residential and commercial sectors, at 27.6 and 20.8 percent respectively.

Thus based on the documents consulted, it appears that in terms of the total amount of oil imported, industry, transportation and the generation of electricity are the largest consumers, as shown in the following percentage table:

Transportation, 37.9 percent;
Electricity, 22.2 percent;
Industry, 17.8 percent;
Residential-Commercial, 22.1 percent.

It is for these reasons, the analysis of the Secretariat of Mining and Hydrocarbons states, that the decision was made to take measures for the efficient and rational use of each of the energy sources consumed in the country.

11915
CSO: 3248/845

COTTON GROWERS GUARANTEED FIXED PRICES, TAX INCENTIVES

Guatemala City PRENSA LIBRE in Spanish 10 May 83 p 4

[Text] Cotton growers have been given many incentives to renew cultivation of their fields. It is now up to them to take it or leave it, said the Minister of Agriculture, Leopoldo Sandoval Villeda, yesterday.

Sandoval Villeda mentioned certain problems expressed by the cotton growers which might be the occasion for a failure to renew activity in this sector, which is capable of generating more than 150 million dollars in foreign exchange for Guatemala if the anticipated 100,000 manzanas are actually tilled and sown.

Sandoval Villeda explained that in the early months of this year, the government's interest in stimulating productivity led it to set up dialogues to coordinate activities with cotton growers and give them incentives to renew cultivation.

Among these incentives are 50 percent lower cotton export taxes beginning this year; a reduction in total export stamps required, and a guaranteed purchase price for cotton seed of 8,20 quetzals per quintal.

"This is providing growers meet the goal of sowing the 100,000 manzanans proposed by the government and accepted by the growers.

"Also included is a lower interest rate. If the 80,000 manzanas sown last year are cultivated again this year, theinterest rate on loans will remain at 12 percent. If 90,000 manzanas are cultivated, the rate drops to 10 percent, and if 100,000 manzanans are planted, it drops to 8 percent, in increments which the Bank of Guatemala is ready to advance for this year's production of cotton.

"All these measures--that is, lowered export taxes and stamp fees, lower interest rates, and a guaranteed price for seed, imply an incentive of 210 quetzals per manzana for the cotton growers, over and above the expected increase over last year's income, and assuming cotton prices no higher than last year's.

"The government will not plant a single inch of cotton; it is the private growers who must renew production. They have been given the incentive; now they must take it or leave it."

9839
CSO: 3248/840

TOURIST MAGAZINE REACTS TO U.S. TRAVEL ADVISORY

Guatemala City PRENSA LIBRE/REVISTA TURISTICA in Spanish 11 May 83 Sup p 2

[Editorial by Danilo De Leon]

[Text] The U.S. Government's "travel advisory," or warning to its citizens not to travel to Guatemala because they would be putting their lives in danger, has for all these years been a most painful cut to our economy and prestige, causing the temporary destruction of our receptive tourist industry and damaging our image abroad even more.

Guatemala has lost hundreds of millions of dollars because of the U.S. State Department's "travel advisory." And we are still losing millions even though that warning not to travel to Guatemala has been reduced, partly thanks to the efforts of the U.S. ambassador to our country.

Those who issued the "travel advisory" in the United States did so as a means of protection for their fellow citizens, but now that the time of danger has passed, the full responsibility for taking the necessary steps to totally eliminate that warning lies directly with our public and private agencies in both the central government and the tourist sector.

There is also a large government and private sector in the United States that is keeping up a systematic, biased campaign to discredit Guatemala, as well as those who are determined not to accept the fact that, from 23 March 1982 to the present time, domestic changes have occurred which warrant elimination of the "travel advisory."

But since these persons and entities act on the instructions of others, we must sidestep them and find a way to counteract their malicious and unpleasant campaign of disparagement, even though they are aware that the reasons for that warning not to travel to Guatemala no longer exist.

Apart from requests, in our opinion very little or nothing has been done to eliminate isolated "travel advisories." What is needed is not an isolated or sporadic action, but a widespread campaign with a well-defined strategy and tactics and prepared by those who are familiar with the inner workings of the U.S. Government apparatus.

But not only should we bemoan the lack of coordination among the aforementioned (domestic) sectors, we must also provide tangible, practical solutions that can enable us to improve our image abroad.

One practical solution which comes to mind is the following: First, that the central government appoint a special representative for resolving this and other important problems of the tourist industry; the tourist sector would do likewise by appointing a single individual to represent INGUAT [Guatemalan Institute of Tourism] and the Chamber of Tourism; at the same time, and for the first time in the history of tourism in our country, a representative would be appointed on behalf of all employees in the tourist industry in general.

Guatemala's ambassador to Washington would then be given responsibility for bringing about the total elimination of the "travel advisory," with the efficiency which the case deserves. We would thus have a working commission which, instead of having nothing at the present time, would be a good choice for, as we said, not only resolving this problem, but also for taking the tourist industry in our country seriously.

11915
CSO: 3248/845

REPORTAGE ON VARIOUS REACTIONS TO PND

Details Discussed

Monterrey EL NORTE in Spanish 31 May 83 p 9

[Article by Luis E. Mercado]

[Text] The National Development Plan [PND] introduced yesterday by the president of the republic is a document which discloses what; now all that we need to learn is how.

This, like other development programs submitted previously in Mexico, cannot be judged on the basis of the goals that it is pursuing, but rather only insofar as the established goals are fulfilled; and, in this specific instance, whether the reorientation of the economic policy proposed yesterday becomes a reality.

At present, it is impossible to judge whether the stated goals are even constructive, because there is no assurance that they will be fulfilled; but it is feasible to make some comments of a general nature regarding the economic chapter of the National Development Plan.

In the economic area, it is obvious that President De la Madrid's government will be guided by the following principles:

1. Public spending will be the fundamental element in the country's economic policy. Through its control the government is seeking to attain objectives such as the promotion of social development and the behavior of internal demand in keeping with the levels that the economy can absorb, strengthening the capacity of the production system, promoting a more balanced territorial distribution of production activities and protecting employment.

2. The bolstering of the mixed nature of the economy, with the state as a guide.

3. The curbing of inflation and the reactivation of public and private investment on sound financial bases.

4. Efficiency in the parastate sector as an element for maintaining sound public finances, aimed at improving the distribution of income, reducing the social impact of the crisis on the weaker classes, producing basic consumer goods and reaffirming the state's guidance in the economic area.

Nevertheless, it is only natural for these general principles to sound slightly distant from the majority of Mexicans, and for the main concern over the handling of economic policy to be focused on ascertaining:

a. What will happen to unemployment, which has struck many Mexicans, totally destroying their standard of living?

b. What will happen to economic growth, which represents a surmounting of the crisis accompanied by relief for social problems?

c. What will happen to the country's production system and the supply of hard currency?

d. What will happen to the tax levels, which are a direct burden on income and which mean sacrificing consumption to many citizens?

Inflation

The National Plan acknowledges the difficulty of drastically cutting the inflation rate in a context of institutional stability, inasmuch as it has reached the 100 percent level.

It rejects the indexing of the economy as a solution to the problem, and proposes: a reduced financial deficit, and coordination among the monetary, exchange and fiscal policies, for the purpose of achieving a drop in the inflation rate.

It also rejects excessive monetary growth and, briefly, cites the need for disciplined monetary and fiscal policies to attain control over the phenomenon.

For the future, it points to declining inflation rates, especially during 1983 and 1984.

Unemployment

Although Labor Secretary Arsenio Farell mentioned the unemployment problem as lacking a solution, in the economic section there is a more optimistic tone in this regard; because concrete action is cited, such as the maintenance of the employment programs, the direction of public spending toward sectors that could create jobs and backing for business firms which require intensive use of labor.

Nevertheless, it is likely that the outlook on unemployment could improve, assessed in accordance with the calculations on economic growth noted in the plan.

Economic Growth

Generally speaking, mention is made of the need, as an essential foundation for surmounting the inflation problems and combating unemployment, to have lasting, stable, realistic economic growth based on the economy's capacity for supporting it.

The estimates in this regard are that the economy will decline in growth between 2 and 4 points in 1983, with some sectors, especially those with links abroad, having positive growth.

Following a decline of between 0 and 2.5 percent in the economy during 1984, a growth of between 5 and 6 percent will be attained by the period 1985-88.

Production System and Hard Currency

It is only natural that the production system will react very similarly to the projection of growth in the gross domestic product.

For example, mention was made of growth of between 1.0 and 4.0 percent in the manufacturing industry during 1984, and between 6.7 and 7.9 percent during the period 1985-88.

As for hard currency, the forecast is that it will be in short supply. In particular, it is noted that the average net outlays for financial service will amount to 5 percent of the gross domestic product between 1985 and 1999, in contrast to the 2 percent experienced during the 1970's.

This means that, in addition to the effort to reduce the amount of the debt and to direct its allocation to productive uses, the economy will have to generate a surplus in the balance of non-financial goods and services amounting to 3.5 percent of the GDP, in order to prevent the current account deficit from exceeding 1.5 percent of the gross domestic product.

Higher levels for that deficit would be impossible to finance, owing to the restrictions on the foreign financial markets.

Taxes

It is acknowledged that the tax effort to increase public revenue was already expended in 1982, and that the increment will be impossible to repeat in subsequent years. Nevertheless, as a means for obtaining more revenue, mention is made of combating tax evasion and the strengthening of economic activity which, in itself, would bolster direct collections.

The National Development Plan per se does not solve anything. It merely poses problems, admits them and compares them with the supplies of human, financial and technical resources.

On paper (like other programs that have been submitted), it has consistency and cites the need for redirecting the economic course and for correcting trends that have led us into crisis.

The fulfillment of those intentions would require the best people in public office and a greater contribution from Mexicans to attain the goal of a just, strong country indicated by the PND.

But it will be necessary for the goals to be pursued and, to attain them, the necessary mechanisms must be used; even though many of them may not be popular, and may entail greater sacrifices. Otherwise, it will have been just another plan, but that is not likely.

The National Bank of Mexico is now the first banking institution in Mexico to attain total funds amounting to a billion pesos. This is reflected in its balance for May.

Today, the stockholders meeting of the Alfa Group in Monterrey takes place. To be sure, it does not have the spectacular quality assumed by the one last year, when the Group's status was not yet known.

Now, the only real fact is that the company went bankrupt and that Alfa will not be known again as it was before.

Isolated units, such as Hylsa and Titan Cardboard Packaging will, indeed, survive. Mention will be made of inefficiency, and it will be correct. In this case alone, the main losers were the private individuals.

Public funds were not thrown away. The inefficient ones were punished by the very market which had caused them to lose funds.

The bulk of the nationalized banks' stock portfolio is accounted for by 376 companies, 276 of which are producers of goods, and the banks' share in them is slight.

In over 200, the state has a share of less than 25 percent, and in only 6 percent of them the state attained a majority status. Tomorrow, we shall provide other statistics in this regard.

Until tomorrow, with more stock exchange news.

Opposition Parties Comment

Mexico City EXCELSIOR in Spanish 1 Jun 83 pp 1, 22

[Article by Rogelio Hernandez]

[Text] While the Socialist Workers Party [PST] described the National Development Plan as positive yesterday, "because it is the most institutional opportunity for the country to become directed in favor of the workers over the medium term," the Unified Socialist Party of Mexico [PSUM] and the Revolutionary Workers Party [PRT] agreed that it represents the same program of sacrifice for the workers and obedience to the International Monetery Fund.

In an interview, Pablo Gomez Alvarez, secretary general of PSUM, remarked that what was introduced by the president of the republic and the full cabinet on Monday is a political program devised with the same notion of benefiting big business owners. He announced that his party would soon submit an alternate plan for discussion to all the forces concerned about redirecting the country's economy.

According to the comments made by the PSUM leader to a group of reporters and later confirmed on government television, "the government has confirmed its intention of gradually giving up the leadership of the state over the economy, and transferring it to the large private groups."

On another occasion, the PSUM press office announced that a group of specialists, headed by Eduardo Gonzalez and Jorge Alcocer, is devising a series of measures opposing the plan, to be submitted immediately, and that it would publicize its alternate development plan within a few weeks.

When interviewed in his offices, Rafael Aguilar Talamantes, head of the Socialist Workers Party, stated that his party's main demand had been met by the existence of the plan itself,"because now we Mexicans know clearly and precisely what we can expect from the government's intentions."

Aguilar Talamantes stressed: "There are in the plan concrete measures for coping with the crisis, maintaining and progressing with constitutional legality; and, essentially, the government's commitment to make a real change in the model of development pursued up until now was established."

Although, according to the Socialist leader, it was not stated exactly how the social sector of the economy will be developed, he said that his party does offer conditions for the workers and their organizations to give an institutional impetus to their plan for a popular government and a boost to the social sector of the economy.

A protest was officially voiced by the Revolutionary Workers Party, because it was the only registered party that did not receive an invitation to the function held to introduce the National Development Plan. It stated: "They must have some specific fear."

Ulises Martinez added that, after an initial discussion by its political committee, they concluded that the plan establishes the premises for continuing, institutionally now, to impose the same policy of austerity for the workers and an atmosphere of work to accrue profits from the business owners. He said: "It is the same plan established in 1982, prepared as a result of pressure from the International Monetary Fund."

Like nearly all parties, the PRT's leadership group described the fact that the government's intentions for the 6-year term have been established in a plan as progress. Martinez added: "But it must be made clear that this is not the plan that the Mexican nation was waiting for to emerge from the crisis, much less the one expected by the large sectors of wage-earners."

On Monday, the very day that the plan was introduced, the rest of the opposition parties stated their position. Speaking in favor of it were Gumersindo Magana Negrete, from PDM [Mexican Democratic Party]; Francisco Ortiz Mendoza, from PPS [Popular Socialist Party]; and now Rafael Aguilar Talamantes, from PST. Speaking against it were the leaders of PMT [Mexican Workers Party], PRT and PSUM. The head of PAN [National Action Party] only remarked that half of the president's promise to prepare a plan had been kept. In the interview, he commented: "Now it needs to be fulfilled."

CONCANACO's View Noted

Mexico City EXCELSIOR in Spanish 1 Jun 83 pp 1, 11

[Article by J. Jesus Rangel M.]

[Text] Yesterday, Emilio Goicoechea Luna, chairman of the Confederation of National Chambers of Commerce (CONCANACO), stated that Mexico obviously needs planning and strategies for development, order and discipline, and that business owners have a "marked concern for contributing to the country's recovery, without hesitation."

After announcing that a national meeting would be organized to analyze and discuss the National Development Plan, with participation by both specialized technicians, and public officials and business owners, he said that the goals of the plan could not be made compulsory for the private, labor and social sectors, because "freedoms would be lost."

Interviewed in his office, Goicoechea Luna remarked that, generally speaking, there is approval among the nation's businessmen, because the National Development Plan reiterates the great need for planning, and that it is important at present "to bring the plans to earth, and not leave them up in the air."

He noted that it would be extremely important, in the sectorial plans, to take into consideration the precise opinion of the sectors involved in them, in order to find points in accordance with the general interest, for the country's benefit.

Like CONCANACO, the private entities, both the industrial ones and those comprised of business managers and merchants, are analyzing carefully the documents which make up the National Development Plan, so as to determine "where we fit in, in what direction we are going and in what areas we can participate."

Goicoechea Luna noted that, once the analyses of the aforementioned documents are available, the meeting to discuss them will take place. There is a proposal for filming that meeting, so as to send the film to the entire country, for the purpose of enabling it to understand the established strategies and intentions.

He said that the business owners did participate in the forums for consultation preceding the National Development Plan, and that it is difficult to make an in-depth judgment of the National Development Plan at present.

Nevertheless, he stressed that the general concepts expressed by President Miguel de la Madrid and the various state secretaries "are indeed interesting and of major importance."

2909
CSO: 3248/932

ORTEGA DELIVERS 1982-83 JGRN REPORT TO STATE COUNCIL

Managua BARRICADA in Spanish 6 May 83 Supplement pp 3-24

[Complete text of the Nicaraguan Government Junta's report to the Council of State, as read by Commander of the Revolution Daniel Ortega; date and place not specified]

[Text] As we open this fourth session of the Council of State, we salute the organizations represented here, which have shown their creativity, critical eye and aggressiveness in this important forum, which for the first time in Nicaragua's history is truly democratic and truly belongs to the people.

Three years and 10 months ago, in the city of Leon, which had been liberated by our bold Sandinist combatants, the Junta of the Government of National Reconstruction (JGRN) took office, on the eve of the final victory.

It was 18 July 1979, and with the country united in its joy over the People's Victory, a Government of National Reconstruction took office. By the decision of the Sandinist National Liberation Front (FSLN) alone, it consisted from top to bottom of both Sandinist and non-Sandinist personnel, in the hope that we could bring together the most elementary feelings of love for our country, which we assumed were present in all of the individuals whom the vanguard summoned to take part in its Government of National Unity.

The emerging Government of National Reconstruction relied on a government program approved by the FSLN. It was never discussed or arranged or agreed upon with forces outside our organization, but it was put forth by the National Directorate as the fruit of Sandinist Front's program, which was tailored to the historic conditions in which we found ourselves.

The triumph united men representing a wide range of interests around the revolutionary program and the National Reconstruction Government. In those early days the profiteers thought that the revolutionary program was going to protect them; the large landed estate owners thought that the revolutionary program was their program; the merchants thought that better times had arrived; the home owners, the owners

of low-rent apartment buildings and real estate developments wanted to share in the people's hour; the owners of factories, industries, radio stations and other businesses thought that it was their revolution.

The capitalists, the exploiters and the rich interpreted the original program as best it suited them.

--They thought that this was a revolution of the wealthy, that it was going to strengthen their hand so that they could continue exploiting and humiliating the workers, the poor and the humble people of Nicaragua;

--To them, nonalignment meant continued subservience to Yankee policy;

--To them, a mixed economy meant money for the wealthy and hunger, the whip and jail for the poor;

--To them, political pluralism meant many parties for the wealthy and no party for the poor;

--To them, freedom of the press meant newspapers and radio stations for the wealthy and silence for the poor.

They did not understand the revolution, they did not understand the heroic and generous people, they did not understand that the original program that the Sandinist Front put forth was a true program of Revolutionary National Unity.

They did not understand that they had to abandon their ambitions, their thirst for gold, cordobas, dollars, riches and that they had to meet the demands of a long-oppressed people who were throwing off their chains and, instead of crushing and destroying them, were inviting them to take part in the nation's reconstruction.

The national unity proposal immediately called for the nationalization of the banks, foreign trade, natural resources and the property of Somoza and the Somozists; it called for the takeover of clandestinely held real estate, a National Literacy Crusade and the organization of the people.

This did not please those selfish gentlemen, who began to become "disillusioned" with the revolution. Some who were part of the National Reconstruction Government left for Miami; others who were not part of the government removed capital from their businesses and took out visas to go to Miami, while still others remained, conspiring and removing their money while still in Nicaragua. These are the individuals who are banding together today around their common interests to exploit, rob and murder the people, along with the Somozist guardsmen and the Yankees.

But other men, many other men who were honest and upright and who were from those same sectors have joined the revolutionary program

body and soul and are valuable cadres in the National Reconstruction Government; others are actively and efficiently engaged in the various sectors of agriculture, livestock raising, industry and trade. These are the patriotic producers, the patriotic businessmen who have stayed in Nicaragua and with its revolution.

Today we can more clearly see the two parties to the struggle:

--The one that unites the working people, the laborers, the peasant farmers, the craftsmen, the patriotic producers, young people, women and children, the clergy, intellectuals, professionals, soldiers, policemen and rational political parties, in building the New Nicaragua;

--On the other side, Reagan with his sons of bitches, a hodge-podge of former Somoza guardsmen, pals of the traitor Pastora and of Robelo, the murderers of women, children, technicians, workers, attempting to return the country to a Somozism without Somoza.

Today, 3 years and 10 months after the establishment of the Revolutionary Government, we can assert that the revolution is moving forward in spite of the obstacles, that with each properly executed step and measure we are consolidating National Unity around the original program, which is democratic and anti-imperialist and belongs to the people, and that the hand of the revolutionary State remains firm.

We are submitting a report on the 1982-83 period, a lengthy report in spite of the efforts to abridge it so that it could be read today. We will begin with the production sector.

Production Sector

During this period, through the Ministry of Agricultural and Cattle Development and Agrarian Reform, the revolutionary government continued spurring agricultural change in the country by enforcing the Agrarian Reform Law, bolstering the cooperative movement and bringing about the organized involvement of the masses.

As of now, 23 percent of our farmland belongs to the People's Ownership Sector (APP), while 5,247,250 manzanas [1 manzana=1.75 acres] (74 percent of the farmland) are in the hands of individual growers and growers organized in credit and services cooperatives. Moreover, 320 large landed estates covering 310,000 manzanas were taken over in 1982.

The cooperative movement has continued to develop vigorously, and as of today there are 3,057 such groups with a total of 60,044 peasant farmers, which means that more than half of the country's small and medium growers have joined the cooperative movement.

Under the Agrarian Reform Law, deeds to 150,000 manzanas have been issued to cooperatives and individual producers, benefiting more than 8,000 peasant families.

During the 3 years of the revolution the 81 Agrarian Reform Enterprises have boosted their share of the country's crop acreage from 12 to 18 percent.

The APP is becoming quite important in farming through its output of cotton (21.2 percent), sugar cane (29.3 percent), coffee (20.3 percent), rice (42.2 percent) and Havana tobacco (100 percent).

These accomplishments in transforming the agricultural sector were not reflected in the real growth rate in 1982. In fact, after growing 23.3 percent in 1981 (in constant 1980 prices), agriculture did not expand in 1982.

The main reasons were: flooding and the drought; the drop in the prices of our exports on international markets; the shortage of foreign exchange to import inputs and spare parts, and the activities of the counter-revolutionaries.

The crop acreage totaled 794,800 manzanas, down 11.6 percent from the previous growing season, as 101,100 manzanas on which domestically consumed items were grown and 3,700 manzanas of export products were taken out of cultivation. There was little growth in corn, beans and sorghum acreages.

The main cause of the reduction in acreages was the heavy rainfall throughout May, which severely damaged the crop areas, delayed the preparation of land for certain crops and destroyed ditches and terraces for others.

Furthermore, yields were adversely affected by the worst drought in the last 40 years, which caused fewer seeds to sprout and prevented the plants from developing and growing normally.

As far as livestock was concerned, beef production was up in 1982, as the nationwide slaughter increased 35.5 percent. Because of the effects of the drought and to prevent further damage to pasturelands, the decision was made to reduce the weight of cattle that slaughterhouses would accept from 360 to 320 kilograms. Thus, 107,400 head were slaughtered for export, and 193,700 for domestic consumption, up 53.4 and 10.2 percent, respectively, from 1981. Milk production was also quite acceptable, hitting 83.3 million gallons, compared to 81 million in 1981, an increase of 2.8 percent.

The recovery by hog farms enabled the national slaughter to reach 7,646,981 pounds in 1982, up 20.4 percent from 1981.

This result was achieved even though there were problems with swine cholera, even though there was a grain shortage in the regions in which hogs are raised in yards and in spite of import restrictions due to foreign exchange shortages.

Poultry farming expanded in 1982, as 22.3 million pounds of meat were obtained from 8 million birds, up 38.7 and 33.7 percent, respectively, from 1981. Egg production was also satisfactory at 18.1 million dozens, even though the activity was hurt by the heavy rainfall in May, which caused about 7,000 hens to drown. In addition, 65,000 dozen commercial eggs spoiled; farm infrastructure was damaged, and sorghum output dropped to critical levels.

In the midst of these difficulties, the organized participation of our people in harvesting the crops was decisive in achieving these results.

Thanks to the united efforts of the institution and the organized working people, the goal of 260,000 bales of cotton was surpassed, as 353,000 were produced. Also, the coffee production goal was 1,400,000 quintals, and we produced 1,430,000.

Industry

In spite of the world crisis, the inherited structural problems in industry and the heavy dependency of its production base on imported raw materials and exports to the Central American market, the revolutionary government managed to diminish their impact on employment and output levels for our most important products. Estimates in early 1982 were that industrial output would be down 13.5 percent, that 85 businesses would shut down and that 5,000 workers would lose their jobs. By the end of 1982, manufacturing output was down just 3 percent; only 5 companies employing 361 workers had closed down, while 30 temporary suspensions had been authorized for 16 companies employing 592 workers.

Whereas the production of beverages, tobacco, chemicals and construction materials dropped, the production of ground and instant coffee, textiles, medicines, metal goods, toothpaste and other items rose.

The enterprises of the People's Industrial Corporation posted an increase of 6 percent, in spite of the drop in the output of the manufacturing sector, meeting 85 percent of its production goals with 30 percent of the planned foreign exchange.

A series of measures were taken to cut costs and streamline operations by merging certain enterprises and assigning them specialties. For example, the National Plastics Enterprise was created by merging and rationalizing 6 enterprises; the Nicaraguan Paper Complex was formed by merging and rationalizing 4 enterprises; metalworking industries were diversified and given specialties; foreign exchange was saved in raw materials purchases by centralizing certain imports, modifying containers and packaging and making greater use of domestic raw materials; credit lines and donations from friendly countries were utilized, enabling industry to import about $70 million worth of items.

The delegations in Region 2, Leon, Chinandega; Region 4, Masaya, Granada, Carazo, Rivas, and Special Zone 1, Northern Zelaya, represent qualitative leaps in the sector's organization because they have enabled us to pay more attention to industrial enterprises and broaden our knowledge of the problems and potential of industrial development in our regions.

The plans for the sector in 1983 include several strategic projects costing about 500 million cordobas, foremost among which are the Managua Textile Complex project and the expansion of the SOLKA laboratories and of the Salinera Nicaraguense, S.A. plant to boost the production of salt for industrial consumption and other uses.

Within the framework of the mixed economy, private sector investments of around 159 million cordobas have been programmed.

The People's Forestry Corporation has improved the organization of its enterprises and spurred their recovery. Some $7 million has been invested in the purchase of new equipment to extract and transport timber and equipment to build and maintain forest roads.

A program is under way to export about $10 million worth of sawed lumber, which would be four times as much as the previous year. Other projects under way are a major industrial center in Northern Zelaya, another in Southern Zelaya and the revamping of a pine resin plant in Special Zone 1, Northern Zelaya. Together, these projects represent investments of around 600 million cordobas over 3 years.

Fishing

In spite of the major difficulties involved in physically maintaining our fishing fleets, from 4 May 1982 to 4 May 1983 the Nicaraguan Fishing Institute continued reorganizing, reviving and bolstering fishing activity in our country.

In addition to the physical limitations, fishing activity north of Puerto Cabezas had to be curtailed from October 1982 to January 1983 because of the continual attacks by the counterrevolutionary gangs in the north of the country.

One external factor was the delay in undertaking development projects, as a result of the open-ended postponement of vessel construction. This has forced the Nicaraguan Fishing Institute to put on ice the Camilo Ortega Saavedra, Productos del Mar and Recursos Maritimos, S.A. development projects.

It bears mentioning that in spite of its limited fishing fleets, the Nicaraguan Fishing Institute succeeded in catching 5.9 million pounds of seafood and exported 3.8 million pounds, which brought in $20 million in foreign exchange.

Mining

As far as mining is concerned, attempts have been made to promote and bolster, given our available resources, the industrial production of gold and silver, their small-scale production and nonmetal output.

Gold mining was limited by the reductions in the average gold content in the extracted ore, by the diminished use of operating capacity and by unexepected shutdowns due to raw materials shortages.

Silver exports were slashed by the temporary shutdown of Mina Rosita due to the depletion of the most productive veins. The drop in the small-scale production of gold was prompted by the storm damage to the La Libertad, Santo Domingo and Villa Nueva, Bocay groups; the counter-revolutoinary activities along the Atlantic were also a factor. The production of industrial gold as of May 1983 stood at 47,000 troy ounces, while the output of silver was 60,000 troy ounces, down 21 and 55 percent, respectively, from May 1982. However, the job level in metal and nonmetal mining was kept at 2,970 workers, representing wage outlays of 77.1 million cordobas.

Natural Resources

The Nicaraguan Institute of Natural Resources and the Environment has undertaken projects that demonstrate the country's full sovereignty over its natural resources and the people's access to the benefits of harnessing these resources. The Nicaraguan Institute of Natural Resources has focused its efforts on revealing the extent and potential of our natural resources and on pointing up the need to safeguard, conserve and develop these resources for the well-being of present and future generations.

National and on occasions international seminars were organized for this purpose. One that deserves special mention was the International Workshop on Saving and Making Comprehensive Use of Lake Managua, which will be our frame of reference for decontaminating the lake.

Among the projects under way we can mention the programs for reforestation and soil conservation, seed banks and genetic enhancement, protection of wildlife and environmental enhancement.

The Domestic Trade Sector

Through the Domestic Trade Ministry, the government has focused its efforts on guaranteeing supplies and distribution of the 13 basic items that the people need and on combating profiteering and hoarding, which run counter to our people's interests.

To this end, the Domestic Trade Ministry sold 5.3 million quintals of grains as of May 1983, up 18 percent from May 1982. This increase

came from imports. Purchases of grains as of May 1983 were down four percent from May 1982, due to the falloff in production because of the flooding and the prolonged drought. Purchases by the Nicaraguan Enterprise for Staple Foods absorbed half of total production, as its involvement in and control over the marketing of rice and sorghum increased.

The government has 5,683 fixed channels of distribution all across the country to market staple foods.

Price subsidies from May 1982 to May 1983 have been estimated at 152.9 million cordobas, up 37 percent from the previous period. Thus, the prices to the people are lower than the prices that the Nicaraguan Enterprise for Staple Foods must pay for both domestic and imported goods.

This increase was due partly to the enterprise's greater involvement in marketing and to the higher prices for growers in the 1982-83 growing season.

Forty-four new warehouses were built in various departments around the country at a cost of about 41.3 million cordobas and with a storage capacity of approximately 600,000 quintals.

The People's Commercial Corporation has channeled consumption towards domestic products, thus helping, along with the Nicaraguan Enterprise of Fairs and Expositions, to promote small and cottage industry.

With the support of credit lines from friendly countries and trade between Cuba and Nicaragua, we have managed to reactivate 95 percent of the enterprises in the People's Commercial Corporation and even to generate surpluses that have been reinvested in working capital and to purchase capital goods.

The 41 enterprises of the People's Commercial Corporation have maintained a payroll of 2,750 heads of family in the APP.

Twenty-nine new low-cost stores have been opened, bringing the total number to 92 throughout the country.

In spite of the efforts that the revolution has been engaged in, there have been major problems in supplying several items in recent months.

Our supply problems must be seen in the context of the dependent capitalist economy that imperialism imposed on us. The Sandinist People's Revolution found that its structure was highly sensitive to the foreign sector and poorly coordinated in terms of the domestic production machine.

Because of the world crisis, the foreign sector is still critical to our economy, and therefore the supply problem cannot be broached without considering imports, which represent the first link in the country's marketing chain.

Our supply problems must be viewed in the context of:

--The severe shortage of foreign excnange
--The gradual dismantling of the old production machine, as part of the shift towards a new economy that will meet the needs of the masses
--The armed invasions by former Somoza guardsmen and traitors sponsored by American imperialism
--Hoarding and profiteering with the items that make up the people's basic needs.

The Sandinist People's Revolution has been pushing measures to shatter our dependence, achieve economic independence and create a coordinated production machine that can meet the people's needs, but these goals represent in-depth changes and require additional time.

Some of the actions that have been undertaken and that are going to be intensified are:

--Upgrading domestic production, with emphasis on basic items of mass consumption;

--Earmarking some of our scarce foreign exchange for the importing of basic items;

--Bolstering the low-cost retail outlets and, in this same vein, expanding the Low-Cost Supply Centers in both cities and rural areas;

--Further expanding the product distribution base so that our historically bypassed peasant farmers will have access to it;

--Combating profiteering and hoarding through better organized distribution, which will mean that the Domestic Trade Ministry will have to adapt its central and national structures, and consumers will have to develop new and better forms of organization.

Consumers should organize in mass organizations to protect themselves against profiteering, to establish direct distribution channels and to guarantee supplies of basic goods in a regular fashion at official prices. To this end, they should operate in constant coordination with the Ministry of Domestic Trade.

Foreign Trade

Our country's trade balance in 1982 reflected the worsening of the world economic crisis and its shift to the developing countries that do not export oil. Export prices held firm or declined and import prices rose steadily for the 2nd year in a row.

Our 1982 exports totaled $405.8 million, a drop of $94 million from 1981. Both price and volume were involved in this falloff.

The main products involved were chemicals and nontraditional industrial exports, whose average price dropped 7.5 percent. The price of cotton went down 14 percent, and other important items fell in price as well: coffee by 0.4 percent and gold by 31.8 percent.

The drop in the export volume of shrimp and lobster was offset by a price increase of 47.3 percent. Sesame seed exports dropped in volume by 4.2 percent, but the export price was up 23.4 percent.

Meat exports were up 1.8 percent in price and 58.5 percent in volume. This result was mainly due to the centralization of the slaughter in export slaughterhouses and to the regionalization policy of the National Enterprise of Slaughterhouses.

The group of nontraditional products, consisting mainly of industrial items, suffered a serious falloff in export volumes and a drop in the average price of around 7.5 percent.

The factors that adversely affected industrial exports were, first, the shortage of foreign exchange to import raw materials and spare parts, which meant that export enterprises could not operate at full capacity; second, the uncompetitive nature of some items on target markets, as well as protectionist barriers in some importing countries, which cut exports, and third, the crisis in the Central American Common Market.

The breakdown of our exports by destination looks like this: exports to the United States dropped from 23.2 percent in 1981 to 22.6 percent of total exports in 1982; Japan, Canada and Taiwan lost ground in relative terms; exports to Central America fell from 14.2 percent in 1981 to 13.2 percent in 1982; our exports to the EEC rose from 20.8 percent in 1981 to 22.9 percent in 1982; and exports to members of the socialist community also rose from 5.6 percent in 1981 to 7.3 percent in 1982.

The total value of 1982 imports was $775.5 million, down 22.4 percent from the 1981 total of $999.4 million.

Except for fuels and lubricants, as well as capital goods for agriculture, whose import volumes rose 0.5 and 1.4 percent respectively, all other groups posted declines: consumer goods, 34.1 percent; transportation equipment, 33.9; industrial capital goods, 24.9; farm inputs, 22.6; industrial inputs, 28.7, and construction materials, 15.7 percent, all of this reflecting the shortage of foreign exchange for import purposes.

There were significant changes in terms of the origin of imports. Some 21.1 percent of our total imports came from Mexico in 1982, compared

to 12 percent in 1981. France became more important as a supplier of Nicaragua, boosting its share from 0.9 percent in 1981 to 4.2 percent last year. Spain's share also rose, from 1.2 to 2.8 percent. The member countries of the Council for Mutual Economic Assistance sharply boosted their share from 3.3 percent in 1981 to 11.5 percent in 1982.

Nicaragua imported less from the countries of the Central American Common Market, down from 21.1 percent in 1981 to 15.1 percent in 1982, and from the United States, dropping from 26.3 percent in 1981 to 19 percent in 1982.

The sources of import financing in 1982 were: agreements, $138.5 million; multilateral loans, $18.5 million; credit lines, $244.8 million; grants, $30.5 million; imports with liquid foreign exchange, $309.9 million; and barter with Central America, $8 million.

The 1982 trade deficit was $369.7 million, as imports totaled $775.5 million and exports $405.8 million.

Infrastructure

We can say that the infrastructure sector was among the hardest hit by the flooding in May and June and by the escalation of American imperialist aggression. We also had problems such as the emigration of technicians and professionals and the labor turnover in the sector in response to a supply and demand situation divorced from the reality of the revolutionary process.

Nevertheless, the Construction Ministry built 21,275 square meters of buildings at a cost of 155 million cordobas. It also built 300 kilometers of all-weather, paved roads and did maintenance work on 40 percent of our road system at a cost of 360 million cordobas. We should note that the Construction Ministry bore the brunt of the work to repair and rebuild roads and terraces damaged by the May 1982 rains and to clear the large amounts of sediment deposited on the fertile layers of soil.

We would like to express our gratitude here to the "Celia Sanchez" Contingent from Cuba, which alongside the comrades in the ministry worked long and hard to rebuild the bridges that were destroyed in Region 2, Leon and Chinandega. Thanks to their efforts, for the first time in years the coffee and cotton roads were in good condition to get out the harvest. We should also emphasize the progress in the construction of the deep-water port at El Bluff. During the first phase of the project, 343,000 cubic meters of earth have been removed to provide 3 meters of fill for a 70,000-square meter swampy area in which the future port facilities will be built.

In addition, soundings were taken on the high seas with great success, even though Nicaragua had no previous experience in this area and conditions were dangerous for Nicaraguan technicians.

As far as transportation is concerned, the National Enterprise of Urban Buses carried 106 million passengers, up 92 percent from the previous period, when 55 million rode the buses. Because of the limitations in units and spare parts, in March of this year the Transportation Ministry reduced the number of stops on urban mass transit lines in Managua in a bid to boost the frequency of the trips.

Land transportation received subsidies of 180.5 million cordobas, 106.1 million of which went to urban mass transit.

The Nicaraguan Railways moved 32.7 million tons of cargo and carried 804,000 passengers.

In the area of water transportation, the Nicaraguan Coastal Transport Enterprise carried 111,000 passengers, 95,000 along the Atlantic coast and 16,000 along the route through Lake Nicaragua.

The passenger vessel known as the "San Carlos" was repaired and renamed in honor of the hero Enrique Campbell. This vessel can carry 250 passengers and covers the Rama-Bluefields route.

The Nicaraguan Shipping Enterprise saw its cargo drop by 18 percent and its income fall by 56 percent during this period due to the shutdown of the roll-on, roll-off service as the vessels "Aracelly" and "Nicarao" were out of commission for a while.

During this period the port of Corinto was dredged and cleared of rocks and the banana terminal was built there at a cost of 3 million cordobas; a tugboat was also obtained that will make it easier for larger vessels to dock and weigh anchor there.

The Central American Freight Enterprise, which started operations in March 1982, has saved the country $504,000 in foreign exchange.

Nicaraguan Airlines carried 134,000 passengers on local and international flights during the period. Two aircraft were added to the fleet; they were purchased from Spain for 250 million cordobas. One of the 26-seaters is already in service, and the other will begin flying in mid-May.

As a result of the rise in transportation costs, we have been forced to conscientiously reassess our transportation policy and promote the development of rail travel. We have decided to shatter the traditional transportation patterns and emphasize the overhauling of our railways. To this end, we have begun working on a main line from Corinto to Managua, with future lines to Granada and the Atlantic coast. It will be a broad track that will handle faster trains and heavier cargo, have a longer useful life and offer greater efficiency and lower construction costs, among other advantages.

Our tentative strategy is to have the line in operation for passenger service between Corinto and Managua in July 1987, with cargo service beginning in December of that year.

In the field of energy, 915.1 million kilowatt-hours were generated in the country, and 41 communities with 12,771 new users were brought into the electric power system. This brings the total number of users to 244,000, which is 47 percent of potential customers.

The country's electric power generating capacity is 281 megawatts, from both hydrolectric and thermal powerplants. The first turbine of the 35-megawatt Momotombo Geothermal Project will go on line in July of this year; it will save the country 1,500 barrels a day of fuel oil, equivalent to $50,000 in foreign exchange a day. Progress has been made on the Mojolka and Asturias hydroelectric projects, which will substantially improve our energy sources.

We must acknowledge that even though we have cut down on our consumption of automotive vehicle fuels, there are still problems in the distribution of diesel and gasoline, but efforts are being made to correct them.

In order to improve drinking water and sanitary sewerage services, as demanded by the urban and rural population, in the 1982-83 period the Nicaraguan Water and Sewage Institute provided drinking water to 62,235 persons and sewage service to 13,800. Also, it drilled 18 wells by machine, dug 20 by hand and undertook 4 projects to harness water from rivers and springs. It installed 77 kilometers of different diameter piping, built 11 storage tanks and hooked up 8,449 homes. It installed 14 kilometers of sewage piping, dug 54 inspection wells and hooked up 2,042 homes. Around 50 million cordobas were invested in these projects.

The Nicaraguan Telecommunications and Postal Service Institute had an office for every 12,500 inhabitants and for every 600 square kilometers of the national territory.

The number of telephones increased from 42,000 to 47,000, and the number in use from 32,000 to 35,000, a rise of 8 percent, and the country now has 12 telephones per 1,000 inhabitants.

Some 120 kilometers of the phone line between Matagalpa and Waslala have neen completed, and in the remainder of the year we hope to extend the line to Puerto Cabezas.

Studies were completed on the installation of a land station for communication by Intersputnik satellite, which will provide smoother communications with the socialist countries and the entire world.

In December 1982 we began installing 200 pay phones so that even the poorest segments of our population will have access to this medium of communication.

A total of 144 million cordobas was invested in communications and postal service.

New mail routes were begun, the most strategically important being the Managua-Matagalpa-Las Minas-Puerto Cabezas route.

1983 Economic Program

I. Objectives of the Program

The economic program for 1983 reflects the need to bring about the material conditions to assure the defense of the Plan and to meet the people's basic needs. More specifically, the program seeks:

a) To maximize output, given the current objective restrictions, so as to meet defense needs and supply basic items to the population, and to provide the basic social services for defense and for the populace in general;

b) To achieve the export levels of 1981, in order to bring in enough foreign exchange to help us attain the goal of maximizing high-priority production;

c) To guarantee the output levels of those inputs that can be produced domestically and that are the material basis for exportable production and for the people's basic consumer goods;

d) To defend the lower-income segments through special efforts to maintain and boost productive job levels, and to properly handle the distribution of goods and worker pay.

II. Economic Policy Guidelines

These objectives mean that priority has been placed on primary production activities, to assure supplies of the basic core of consumer goods (grains and other staples) and export items. This priority also extends to the sphere of production activities that support primary output, whether because they generate inputs or because they are part of the chain in producing these items.

What this priority specifically means is that the available resources are carefully allocated to meet the needs of priority activities before attending to demands from other spheres of the economy, with particular emphasis on rationalizing imports.

Although the program does take the present emergency into account, it assumes that the current relatively normal situation will continue. Nevertheless, because of the various forms that the escalating intervention could take, we must constantly monitor the situation so that we can gear both our goals, resource allocations and economic management tools to any new critical developments.

In general, economic conditions dictate that we make the most efficienct possible use of all our resources, not just imports, so that we maximize productivity, conserve materials, properly utilize and conserve existing equipment and enhance the rational use of credit. The main emphasis should be on a permanent monitoring of the use of external credit and available current foreign exchange, so that we can fulfill our programmed priorities.

Another focus of the program is the distribution of staple items. The proposed goals mean that we might have to deal with shortages of certain basic items that could lead to the nonfulfillment of supply objectives, if the distribution systems do not function efficiently with the full participation of grassroots enterprise or if the goals for the production of staple items are not met.

The political, military and economic situation in which the revolution is unfolding demands an all-out organizational effort and a high level of discipline to foster the creative initiative of our people, overcome the difficulties facing our program and achieve its objectives.

The Government Sector

The activities of the Planning Ministry over the past 12 months have adhered to the Revolutionary Government's economic policy and to the specific guidelines issued by the Junta of the Government of National Reconstruction at the request of the Economic Council of State. Within this framework, the Planning Ministry continued its efforts to bolster the National Economic Planning System as the organizational hub of the nation's resources and efforts. Given the crisis that our country had to confront, the Planning Ministry focused its work on several fundamental areas in line with the revolution's basic principles, such as: give priority to defense in economic planning; enhance the operations of the mixed economy; consolidate the APP as the dynamic hub of the national economy; give priority to the production of staple foods and items; enhance the Revolutionary Government's ability to provide its people food, health care, schooling, clothing and housing to the extent that a poor, backward can do this; and expand farm output for export, diversify markets, promote new forms of financing, formulate plans for technological change, move ahead in transforming our production machine and propose measures to intensify austerity in government spending and boost domestic savings.

The Planning Ministry's main activities were:

--Strengthening the National Planning System through a single methodology for drafting the National Economic Program;

--Drafting the proposal for an emergency program in 1982, as well as the prospects for 1983, based on an analysis of the economy's performance;

--Coordinating the analysis work and drafting of the proposal for the country's regionalization;

--Involvement in various of the Economic Council's pre- and post-decision-making commissions, suggesting solutions to the problems raised;

--Developing and strengthening international economic relations and technical advisory contacts.

In the area of statistics and census, it made the final corrections on the census maps of Carazo, Nueva Segovia, Madriz, Esteli, Matagalpa, Boaco, Chontales and Jinotega and also drew up the municipal and departmental maps. We have had to postpone the census because of the imperialist aggression, inasmuch as it is difficult to commit the personnel and resources that the census would require at a time when a national mobilization for defense might be necessary.

The new system of vital statistics has been implemented nationwide; the commercial directory was completed, and the annual survey of the trade sector was conducted.

Public Administration

In monitoring the public administration and the APP, the Office of the Comptroller General of the Republic did 887 investigative jobs, of which 475 were audits and 412 special studies. The work in production and finances accounted for 25 percent of the total; infrastructure, 12 percent; education and culture, 11 percent, and trade, 9 percent. These efforts were instrumental in improving government, in seeing to it that the people's resources were better utilized and in bringing about better coordination with the internal auditing units in institutions. Agencies and enterprises were given methodological tools, and laws and regulations for holding public office and on economic crimes were revised.

The Administration of Justice

The administration of justice during this period reflected the change the country underwent. Pursuant to Decree 760, the Law for the State Expropriation of Abandoned Property, 78 ministerial resolutions were issued, 6 of which were later revoked, thus confirming the respect for the judicial guarantees granted by the Statute on the Rights and Guarantees of Nicaraguans. With the enactment of the Penal Procedure Reform Law, we resolved problems stemming from the fact that trials were in the hands of private individuals, and the police and the General Comptroller's Office resolved the problems they were having with regard to the indictment procedure and their responsibilities.

Embezzlers of public funds were placed on trial, and government property was safeguarded by the publication of the decree on the procedures for trying crimes of embezzlement, fraud and peculation and the law on order and security.

The procedures were streamlined for expropriating land and property subject to the agrarian reform. At present, 186 expropriation cases are being pursued under the reform.

Of the 221 rulings, bills and draft resolutions received, 171 were acted on, and advice was given on 153 laws issued by the Junta of the Government of National Reconstruction.

During this period, Volumes 4, 5 and 6 of the Laws of Nicaragua-Revolutionary Era were published. It bears mentioning that the Justice Ministry and the Judicial and Political Research Center are engaged in drafting a document containing the report on human rights in Nicaragua that the Justice Ministry submitted to the United Nations in March 1982, in which it stressed that Nicaragua respects human rights and countered the international campaign mounted by the Reagan administration against Nicaragua.

The Supreme Court focused its efforts on sharply reducing the backlog of cases in all of the country's courts and on charting and promoting the strategic guidelines for institutional development to meet our people's demand for justice.

Some 46 percent more sentences were handed down in 1982 than in 1981, and 22 percent more juries were seated. Yet, the delays in meting out justice were not overcome.

As far as institutional changes are concerned, 37 new local judges were trained, and 11 seminars were conducted for 435 comrades, including magistrates, judges, attorneys, police prosecutors, clerks and members of mass organizations.

The preparatory stage was completed for a pilot project to modify criminal trial procedures in Region 4, Granada, Masaya, Carazo and Rivas.

Decree No 1,130, the Criminal Procedure Reform Law, and Decree No 1,153, the Law Creating Appellate Courts, had a major impact on the structure and operations of the judiciary. The latter law abolished the former courts of appeal and established appellate courts, in line with the country's regionalization. The Superior Labor Court was also abolished.

Training in Public Administration

During this period the Nicaraguan Public Administration Institute focused its efforts on training, advisory and research activities.

Forty-four training courses, seminars and conferences were held. The Nicaraguan Public Administration Institute furnished its advisory services on 39 occasions in the areas of administrative training, research and planning.

The Nicaraguan Public Administration Institute was involved in 16 research projects, 7 of which were completed, with the remainder at various intermediate stages. Through these activities the Nicaraguan Public Administration Institute succeeded in putting together a more solid and consistent program and in having a greater impact on the efforts to boost the efficiency of government.

The National Directorate of Data Processing focused its efforts on training computer technicians. The National Enterprise of Computer Services was also organized.

Secretariat of Regional Coordination

The process of regionalization and decentralization begun with the creation of six regions and 3 special zones has enhanced the democratic, grassroots nature of the revolution and has enabled us to move forward in gearing our administrative apparatus to the requirements of new circumstances and to the interests of the masses.

The first stage of this process has been judged a success, because we have succeeded in strengthening the leadership of the Sandinist State, in establishing guidelines for a more coherent and more effective structuring and coordination of the State and in getting the masses increasingly involved in government.

The start of ministerial decentralization has entailed a major move towards government coordination in the regions and special zones through the sector commissions and the authority of the delegates of the Junta of the Government of National Reconstruction. This has enabled the government to address more coherently, rationally and effectively the problems involved in production and services for the benefit of our people. Through the mounting involvement of the organized people we have made headway in eliminating longstanding impediments to production in the regions; we are creatively tackling the problems of supply and marketing; the monitoring of ministerial programs has been improved, and initiatives have multiplied in the field of construction and a more rational use of the government's human and technical resources.

At the same time, we are beginning to contribute meaningful elements to the formulation of a regional economic strategy that will enable us to overcome the chronic territorial distortions of the current production structure. We must point out, however, that not all of the ministries have actually been decentralized. The upshot is that the regional influence of the ministries differs from one ministry to another, that some ministerial delegates have little decision-making power, that some support units are weak and that technical and financial resources are lacking. We must move ahead in developing a national economic strategy, with corresponding regional plans, that will chart a steady path toward a break with the economic model we have inherited, and we must also move ahead in bolstering the involvement of mass organizations in regional government.

The Managua Reconstruction Board began to function as a decentralized body for the first time during this period. After many attempts it achieved a stable organizational structure, which did not, however, fully attain its goal because it was unable to practice methods that would allow for proper control and prevent a lapse into a bureaucratic approach. Seven projects were completed at a cost of 44 million cordobas. Maintenance was performed on 110 kilometers of streets, 13 percent of the total street area in Managua. This means that it takes about 8 years to provide maintenance for all of the city's streets.

Gutters were severely damaged by the flooding in May and June 1982, and in the midst of all our problems, efforts are being made to have them totally repaired before the rains come this winter.

The Managua Reconstruction Board's revenues from the Toll Plan reached 300 million cordobas during this period. We have to acknowledge that one of the biggest problems is the influx of people during the early months of the year and the attention they are given. Although attempts have been made to improve this situation, we have not been successful, and our people continue to voice their demands. Steps are thus being taken to provide a comprehensive solution to this problem.

Conclusions

Throughout this period we have been forced to mobilize resources to fend off the aggression in all its forms. This has meant diverting human, financial and production resources into defense efforts, which has, consequently, caused greater difficulties in the pursuit of our economic programs and further limitations in the availability of material resources to be distributed throughout the country.

All of this is compounded by the adverse economic impact of the world capitalist crisis and of the harsh weather, such as the heavy rains that caused flooding in May 1982 and the drought, natural phenomena that inflicted damages totaling $446.5 million, according to estimates by the Economic Commission for Latin America.

Nevertheless, an overall assessment of the main social indicators shows us that during the period from 1979 to 1982 there have been major gains in improving the people's living conditions. Our package of economic and social policies has had a positive influence on these indicators, particularly life expectancy, which rose from 55.2 in 1978 to 57.6 in 1982, and infant mortality, which was estimated at 120 per 1,000 live births in 1978, falling to 90.1 per 1,000 in 1982, which means that of every 1,000 infants born in the new Nicaragua today, 30 more survive.

In spite of these gains, the social situation is still troublesome, and we are faced with structural problems that can only be resolved gradually in the medium and long term. In the field of health care,

we are seeing results in the control and eradication of transmissible diseases, as the indices of diseases preventable by vaccine have dropped. Significantly, there was not a single case of polio in 1982. Even though gastroenteritis is still the main ailment among infants, diarrhea-caused mortality has fallen sharply; it was the leading cause of death among infants under age 1 in 1979, but has now dropped to third place.

Medical consultations rose from 5.4 million in 1981 to 6.3 million in 1982, with an average of 2.1 doctor's visits per inhabitant, up from 1.9 in 1981. Some 60 percent of these consultations took place in Health Care Centers and Posts, which reflects the increased utilization of primary services.

The increased number of consultations was also better distributed regionally, as there were significant gains throughout the country, especially in Special Zone 1, Northern Zelaya, where the number of consultations per capita increased from 1.9 in 1981 to 3.7 in 1982. In absolute terms, there was a rise of 149,070 consultations to a total of 295,062 in 1982.

Under our policy of controlling and eradicating diseases preventable by vaccine, a total of 3,752,914 shots were administered, an absolute increase of 1,209,518 from 1981. The involvement of mass organizations was of decisive importance in carrying out this program, which had a major impact in controlling vaccine-preventable diseases. During the People's Health Days these organizations administered 76, 72 and 61 percent, respectively, of the polio, measles and DPT vaccines provided in 1982.

These significant gains in preventive medicine were not complemented by similar gains in curative care, particularly in hospitals. We are still faced with serious problems here, as hospitals are among the institutions hardest hit by the economic crisis. The high cost of hospital care and our dependency on imported equipment of great technological complexity are among the main obstacles to increased hospital care. A shortage of beds has adversely affected our ability to meet the demand for hospital care. As of the end of 1982, the country had 4,734 beds, a ratio of 1.6 beds per 1,000 inhabitants.

On the other hand, primary education reached a net enrollment rate of 73 percent, representing a total of 369,070 children between the ages of 7 and 12, which is an absolute increase of 16,396 over 1981. In spite of the gains in the coverage of primary education, about 119,279 school-age children are not covered by the school system.

As far as diversifying technical education is concerned, the registration in the program was up by 6,807 students over 1981. Technical education accounted for 18.2 percent of total enrollment in intermediate education in 1982, up from 13.2 percent in 1981.

The total enrollment in the national school system was 902,554 pupils in 1982, compared to 877,756 in 1981. An enrollment of 1,025,350 students is planned for 1983, an increase of 122,796, or 13.6 percent, over 1982.

In the area of culture, we have made progress in consolidating the people's culture councils, introduced cultural-artistic work in the rural areas of departments and added libraries to our library system, which was used by some 300,000 persons. We should also underscore our participation in the Central American and Caribbean Games, where Nicaragua won three silver medals and five bronze medals; the prizes and special awards won by our films and newsreels at festivals in France, Cuba and Germany; the First Exposition of Latin American Painting that was donated to the revolution for the future museum of Latin American art, and the Ruben Dario Latin American Writers Contest, in which 200 Latin American writers took part.

Pursuing its policy to promote domestic tourism by creating the infrastructure for wholesome recreation for our people, the Nicaraguan Tourism Institute completed work on the People's Tourist Centers in Pochomil and Xiloa and is about to finish work at El Trapiche.

Work has already begun as well on the construction of the tourist centers in Granada and La Boquita. The total investment is 44 million cordobas, and when all these projects are completed, they will be able to handle 1.3 million people, thus generating jobs for a considerable number of heads of family.

Social Security was extended to 57,192 workers in the country's urban areas, and pensions totaled 246,913,203 cordobas, 80 million more than was paid out as of May 1982.

During the past year, 3,158 housing units were built, compared to 1,797 the year before. Some 533 units were erected by self-help construction, compared to 186 for the previous period. Moreover, 10,050 lots were distributed in areas with public services; 6,000 lots were handed out in expropriated districts, and 9,993 deeds were issued. The housing construction plants that Cuba gave us in the wake of the flooding in May and June 1982 are also functioning.

The Junta of the Government of National Reconstruction has submitted to this Council of State its Housing Bill, which will benefit the working people, who have been traditionally exploited by property owners. It will also benefit the residents of rooming houses, who pay out a considerable share of their modest earnings to live in subhuman conditions.

The total social sector budget for 1983 comes to 3.6015 billion cordobas, compare to 2.9257 billion in 1982, an increase of 23.1 percent. The Revolutionary Government has expanded the social programs that benefit the people, in spite of the country's economic difficulties.

The losses caused by the flooding and drought occurred mainly in farm production and economic and social infrastructure. To offset the adverse impact of these developments, the Revolutionary Government combined its appeals for sacrafice and solidarity among our organized people with financial and government spending policies aimed at stimulating output and repairing the damage to the country's infrastructure.

These weather-caused adversities were compounded by a decline in our country's foreign trade sector as a result of the severe recession in the industrialized capitalist countries and the carryover of the crisis to the world market for goods and capital in the form of stagnant trade; by a drop in our export prices; an increase in import prices; high interest rates and a deterioration in the terms of trade for developing countries that do not produce oil.

These worsening terms of trade for our country meant that in 1981 and 1982 we failed to earn a total of $246 million in 1980 prices.

The worsening terms of trade were compounded by other adverse factors, such as the 9.8 percent drop in export volume; further difficulties in securing external financing, and the higher cost of servicing foreign debts. Interest on our foreign debt rose from $121 million in 1981 to $154.5 million in 1982, while principal payments fell from $70.7 to $59.5 million. Total debt servicing in 1982 came to $214 million, which is equivalent to 46 percent of our earnings from goods and services exports.

At the same time, the additional difficulties in securing external financing also stemmed from factors such as the shortage of liquid dollars in the Central American Bank for Economic Integration, which complicated the bank's financing of projects.

U.S. pressure against Nicaragua closed the door on new loans from the World Bank and hampered access to credit from other multilateral institutions. All of these adverse factors combined to produce a severe shortage of foreign exchange and a drastic decline in our country's import capacity. Measured in constant 1980 prices, imports were down 25 percent, which had a severely adverse impact on the gross domestic product.

In spite of the fall in the gross domestic product, current revenues increased sharply, from 5.44 billion cordobas in 1981 (22.4 percent of the GDP) to 7.5051 billion in 1982 (27.7 percent of the GDP).

Tax revenues were up by more than 1.5 billion cordobas, from 4.66 billion in 1981 (19.2 percent of the GDP) to 6.1698 billion in 1982 (22.3 percent of the GDP). This was a 32.4 percent increase in tax revenues.

Within the context of all these adverse factors, a drop of just 1.4 percent in the gross domestic product in 1982 should be regarded as a victory for the Nicaraguan people, especially if we compare it with the performance of the rest of the countries in Central America. The GDP of El Salvador was down 9.5 percent; Honduras, down 1.5 percent, and Costa Rica, down 5.9 percent. To offset the impact of lower export prices, the Revolutionary Government pursued financial policies to stimulate exports. Domestic credit was also expanded for production sectors by 18.4 percent; this reflects the rolling over of loans for farms so that they could recover from the adverse weather.

The effect of these measures was that the agricultural sector, which is our economy's strategic sector, did not post real negative growth rates. Although it was originally thought that agriculture was going to post a negative rate because of the floods and drought, it managed to maintain its 1981 level; in other words, farm production was not up, but it was not down either, as would have been expected.

As a result of the measures taken in mid-1982 to boost pork and poultry production, the livestock sector grew by 10.8 percent in real terms. In addition, as a result of a strictly rational allocation of foreign exchange and the fine performance of agroindustry, the decline in manufacturing was held to just 0.2 percent. In spite of these accomplishments, the aforementioned adverse factors prompted sizable contractions in forestry (32.7 percent), fishing (18.9 percent), mining (18.6 percent) and construction (25.5 percent).

The decline in the GDP and the drastic 25.5 percent drop in imports cut the overall supply of goods and services in the economy by 8.2 percent, consumption by 4.2 percent and investment by 22.9 percent. Nonbasic consumption was down 23.3 percent, but the decline in the people's basic consumption was held to 4.7 percent by price controls and the bolstering of distribution channels for mass consumption items. Within this context, it should be regarded as a great victory for our people that we held the consumer price index to a 24.8 percent increase, which is practically the same as in 1981, according to the figures from the National Institute of Statistics and Census. This inflation rate is considerably lower than in other Latin American countries, where we find the consumer price indices rising between 70 and 200 percent.

Within this crisis setting, the Revolutionary Government continued to take steps to boost wages and redistribute income more equitably. Indeed, our efforts in health care, schooling, social security and welfare, housing and job security are designed precisely to prevent the workers from being the ones who bear the costs of the crisis.

In this regard, it bears mentioning that the decline in the GDP also had an impact on employment, as joblessness rose by 41,400 to a total of 185,200, a rate of 19.8 percent in 1982, as against 15.9 percent in 1981.

Even though there were modest increases in nominal wages, they were offset by inflation. This was reflected in a decline in real wages, mainly the minimum legal wage; the drop was 14.1 percent for nonfarm workers covered by the Nicaraguan Institute of Social Security and Welfare and 19.6 percent for farm workers.

To shore up the people's buying power, the Revolutionary Government has budgeted for the following subsidies in 1983: 455 million cordobas for basic grains, 239 million for sugar, 59 million for milk, 321 million for public transportation and 225 million for social programs of the Nicaraguan Institute of Social Security and Welfare. The subsidies for 1983 total 1.222 million cordobas, compared to 905 million in 1982, an increase of 35 percent. In addition, 2.39 billion cordobas have been earmarked as contributions for higher education, service enterprises and production enterprises, mainly. In all, the subsidies and contributions come to 3.612 billion cordobas.

It is true that subsidies shore up the people's buying power, but they are not the final solution, because they attack the effects, not the causes. The country's economic problems can be solved and the poverty of the masses overcome only if we transform our production machine and achieve higher levels of output, and this requires a series of development projects in both the economic and social spheres that will transform the productive base and social relations in the New Nicaragua.

Development Projects

In this spirit, the following are some of the development projects we will be undertaking in the short and medium term:

In the agricultural sector, we must transform the pattern of land tenure by expropriating large idle estates and awarding title to small and medium growers. We must also consolidate the cooperative movement through the programs to expand the production of basic grains, Integrated Rural Development and specific cooperative expansion projects such as "Carlos Fonseca Amador" in Waslala, the Chinorte Project in the northern Chinandega municipalities of San Pedro, Cinco Pinos, San Francisco, Santo Tomas, Somotillo and Villanueva, and the cooperative expansion projects in Tola, La Vijia, Pantasma and El Cua.

In addition, under the Nicaraguan Food Program, the 5-Year Food and Nutrition Plan and the Black Bean for Export Production Program are being carried out with investments of 300.5 million cordobas in the region that includes Leon and Chinandega.

There are also nationwide plans to develop agricultural exports and agroindustry.

The National Livestock Development Plan calls for a Milk Development Plan that includes the "Chiltepe" Project and the "Muy-Muy-Matiguas" Project. The National Meat Development Plan includes breeder herds, the Boaco-Chontales Project, the semen bank, the production of mineral salts and the Purebred Project.

Finally, there is a National Poultry Development Plan in which 255 million cordobas have been invested.

The first phase of the National Sugar Development Plan includes the "Tipitapa-Malacatoya" Agroindustrial Project, which calls for an investment of 2.5 billion cordobas.

In conclusion, the first stage of the National Horticultural Development Plan includes a Development Project in the Sebaco Valley that carries a price tag of 264 million cordobas.

With regard to natural resources, we are undertaking a Forest Base Study, the Northeast Forest Project, an Integrated Forest Project in Region I (Esteli, Madriz and Nueva Segovia), and the project to control the erosion in the west and to reforest the Marrabios Mountain Range.

The Reforestation and Soil Conservation Program has a budget of 25 million cordobas and includes projects to control channels and erosion in the west, windbreaks for Managua, the reforestation of the southern basin of Managua and a firewood sources development project.

As far as fishing development is concerned, there are plans to build 11 collection centers for small-scale fishing in Potosi, Aserradores, Astilleros, San Carlos, Solentiname, San Miguelito, Laguna de Perlas, Orinoco, Tasba Pauni and Lambaya, with an investment of more than 20 million cordobas.

There are also plans to build the Central Shop of the Nicaraguan Fishing Institute in Bluefields, a lobster plant and a floating dry dock to repair heavy-tonnage fishing vessels in San Juan del Sur in 1983. Plans for 1984 include the construction of a shipyard in Puerto Sandino and of a fish breeding station from which natural lagoons and manmade lakes can be stocked.

In the mining sector, new mineral deposits will be explored for, and 547 million cordobas will be invested to expand or reactivate the operating capacity of mines in Bonanza, Rosita, Siuna, La Libertad, Limon, Topacio, Quislala, La India, La Reina-La Pita, Colas de Siuna and Vesubio.

In industry, 27 development projects are on tap in the APP, involving the production of socks, knit goods, salt, corrugated cardboard, ice, spare parts, medicines, physiological serums, glass vials, baby food, light resins, sawed lumber, plywood, railroad crossties, machinable steel parts, tin cans, as well as boosting production of furniture,

wooden frames, lamps, industrial gases and footwear; the modernization of the Polar Ice Plant; the procurement of equipment for Nicaraguan Concrete Products and the streamlining of plastics enterprises. These 27 projects entail a total investment of 1.1114 billion cordobas and in the years to come will generate 3,551 new jobs in industry.

Moreover, 10 investment projects have been approved for the private sector, involving the production of plastic containers, lids and caps, resins, balanced foodstuffs, mosquito nets, nuts, hardware items, tools and machinery, as well as expanding the production of toilet paper and vegetable oil.

A series of geothermal and hydroelectric projects are under way to provide the power that these new projects are going to need and to provide service to the 53 percent of the population that still lacks it. The first and second phases of the Momotombo projects entail investments of 393 and 520 million cordobas respectively.

With regard to the new hydroelectric projects, Asturias is valued at 506 million cordobas, the Noveno Project at an estimated 485.7 million, the Rio Y-Y Project at an estimated 321 million and the mini-hydroelectric plants project at an estimated 16 million. Also envisioned is a regular expansion of the Nicaraguan Energy Institute's system at a cost of 93.3 million cordobas and a project to upgrade the Nicaragua Plant at an estimated cost of 40 million cordobas.

To provide the necessary infrastructure to facilitate production and better serve the people, the Atlantic Deep-Water Port Project is under way at El Bluff at a cost of 1.25 billion cordobas, as well as numerous road projects, including the Acoyapa-San Carlos highway stage two, carrying an estimated price tag of 128 million cordobas.

In addition, the Managua Reconstruction Board is carrying forward a project to improve Managua's neighborhoods, and INAA [Nicaraguan Water and Sewage Institute] has undertaken water supply system and sewage projects in 6 cities and 47 communities. TELCOR [Nicaragua Telecommunications and Postal Services] is putting up lines between Matagalpa and Puerto Cabezas.

New rural housing projects are going up in Tasba-Pri, Jalapa, Mina Limon, Xavier Guerra, German Pomares, Altamira, Los Cedros and Carlos Fonseca, and in urban areas we have the Chinandega, FUNDECI and Guadalupe projects in Leon, Villa Flor, Los Arcos, Catahola and San Antonio second stage. These investments total 308.9 million cordobas.

To facilitate the bulking of basic grains output and thus guarantee larger supplies for the people, the Domestic Trade Ministry is supervising the MASA [Enhancement and Expansion of the Storage System] Project in Masaya and Santo Tomas-Chontales and is building regional produce depots in Managua, Nandaime and El Sauce. The project has a total value of 350 million cordobas.

In the field of education, we are proceeding to define the major subsystems that make up the National Educational System and the Basic Education of the People. The goal set for formal education and the people's education is a fourth grade level. We are also organizing technical education and training programs to prepare the specialized workers who will be needed for the development projects and the new production activities that stem from these projects.

In the health care sector, regional hospitals are being built in Matagalpa, Rivas, Masaya and Bluefields at a cost of 381 million cordobas.

Social security benefits for disability, old age, survivors and occupational hazards are being extended to all departments. The rural infant services, rural infant nutrition and infant development centers programs have been expanded under a 230-million cordoba budget for 1983; this means that the spending for children's programs will rise 343 percent over the 1982 level.

To the extent that we are able to carry these programs forward, we will be strengthening the new economic and social structures of the New Nicaragua.

Nevertheless, the counterrevolutionary enemy is doing everything he can to stop these projects and halt the transformation of our economic and social structures, focusing his criminal attacks on development centers. The former Somoza guardsmen and the traitors supervised by imperialism have taken it upon themselves to murder technicians, professionals and teachers and to set fire to and destroy development projects.

According to our estimates, the counterrevolutionary activities have so far caused property damage, project delays and profit losses totaling 581.4 million cordobas.

Of this amount, property damage comes to 113.4 million, including the destruction of machinery and equipment, installations, schools and health care centers; special mention should be made here of the destruction of 143 vehicles valued at 40.5 million cordobas.

The delays in the following projects and programs are estimated to have cost us 119.8 million cordobas: hydroelectric plants, road construction, farm and agrarian reform projects, forestry projects, adult education, people's health days and health care.

Damage to production amounts to 244.2 million cordobas, consisting mainly of forest fires over 40,000 hectares (200 million cordobas), the destruction of export crop acreage (coffee and tobacco) and the loss of livestock (the other 44.2 million).

Profit losses have been provisionally estimated at 104 million cordobas, with the following breakdown: 100 million in exports that PROFONICSA was unable to ship and 4 million in gold that the Nicaraguan Mines Institute was unable to produce because its miners were mobilized for defense.

We have been unable to calculate the profit losses for the other institutions as yet, although they are logically due to the diverting of workers into defense tasks, the destruction of production resources, equipment replacement costs (much of it is imported) and lost exports. The current figure will rise sharply.

The government has also been heavily victimized by the counterrevolutionary actions. Some 157 comrades have been murdered or fallen in combat, including 58 technicians, 23 professionals, 2 internationalist doctors and 73 laborers, drivers, peasant farmers and others. Fifty-three percent of the slain men were technicians and professionals. Thirty-four teachers have also been murdered, and 19 have been kidnapped.

The death of the two internationalist doctor comrades is the most recent sacrifice in the ongoing process of liberating Nicaragua. At present, 5,712 internationalists are collaborating with the Sandinist People's Revolution.

Some 3,700 of them are from official programs, while the other 2,000 or so are volunteers from Western Europe, Latin America and the United States. Under the official programs, 237 comrades are from Western Europe, 159 from the socialist countries of Europe, 30 from Latin America, 16 from the United States and Canada and 7 from Asia. Of the Cuban comrades, 2,117 are working in education, 535 in health care, 237 in construction and 374 in other economic activities.

Of the total number of internationalists, 2,290 are from Western Europe, Latin America and the United States, and 3,422 are from the socialist countries, in other words, 40 and 60 percent respectively.

The total number of comrade government workers wounded by the Somozist counterrevolution is 60, and 549 comrades were kidnapped from May 1982 to May 1983, 93 percent of whom were production workers.

As the people's response to the criminal actions of the counterrevolution, 7,616 government comrades were mobilized from May 1982 to May 1983 in Infantry Reserve Battalions, and 3,215 comrades from the Sandinist Government People's Militias were mobilized to protect our country's strategic economic targets.

A total of 4,486 government workers were involved in defending production and infrastructure projects, 3,144 of whom mobilized for the coffee harvest, 325 for the cotton harvest and 1,017 comrades from TELCOR for telephone projects along the Atlantic coast.

This week, 45 government technicians are being mobilized in various regions of the country; in particular, 21 comrades are heading for Region I (Esteli, Madrid, Nueva Segovia) to replace the government technicians and workers recently murdered by the Somozist guard.

We have pointed out some outstanding aspects of government efforts, but this report would be incomplete if it did not mention some of the main shortcomings of our revolutionary State.

In the first place, we would have to note the low capacity for self-criticism on the part of many government institutions. Of the 36 institutions participating in this report, 13 made a limited effort at self-criticism and 23 made no effort at all. Such an attitude inevitably makes it difficult to identify shortcomings and to develop timely initiatives to correct them. Other shortcomings, such as the lack of coordination among institutions, bureaucratic behavior, a lack of awareness of the country's defense and production situation and shortages of foreign exchange for imports, and a good many other shortcomings could be alleviated through sound self-criticism and constructive criticism.

Other weaknesses of our revolutionary government include the incipient nature of planning and programming in institutions, the lack of timely and reliable information and the absence of a national information system, which in turn weakens the government's higher decision-making process and the planning and programming processes.

We need a uniform wage policy, inasmuch as the current disparities contribute to a high personnel turnover, which has a serious adverse effect on the programs and projects of many institutions.

Management must also develop stronger ties with the mass organizations in many institutions, to bring about higher levels of involvement among the workers.

With regard to the functioning of the production machine, there are shortcomings in the preinvestment and investment capabilities, problems with the construction sector's ability to execute plans and projects, shortcomings in the utilization of credit lines, delays and confusion in import transactions that adversely affect projects, and administrative weaknesses that lead to occasionally unnecessary problems in supply, especially in the case of medicines and fuels.

We must tackle each and every one of these shortcomings energetically in order to rapidly and successfully meet the challenges of the current economic, political and military situation. Above all, government workers must develop an increasingly responsible attitude, because in that way we will be rendering more efficient and conscientious service to the Nicaraguan people.

Interior Ministry

During the period we are analyzing, the Interior Ministry continued to carry out with self-sacrifice, discipline and heroism the tasks entrusted to it in defending state security and the domestic order. In the performance of their duty 34 comrades from the following agencies of the Interior Ministry fell combating our common counterrevolutionary enemy: the General Directorate of State Security, the General Directorate of the Sandinist Police, the "Pablo Ureda" Troops, Regions 1, 2, 3 and Special Regions 1 and 2. The high combat morale and the discipline developed among the Interior Ministry's combatants are the result of wideranging political and ideological work that has made the ministry a strong tool for combating the enemies of the people and a faithful servant of the revolution's policies, as outlined by the National Directorate of the Sandinist National Liberation Front and the Junta of the Government of National Reconstruction.

During the year the revolutionary State's security has been increasingly threatened by the vast destabilization plan developed against our country by the U.S. Government through the Central Intelligence Agency. This plan has taken the form of incursions by Somozist and counter-revolutionary military units, armed provocations by the Honduran Army, the compaign of murder and terrorism against officials and political leaders, the attempts to sabotage our economic infrastructure, the deceitful, confusing propaganda broadcast by counterrevolutionary and foreign radio stations or from certain pulpits and the manipulation of religion in a bid to divide the people.

In confronting this terrorist escalation, the Interior Ministry has increasingly relied on the working people. We pay homage here to the hundreds of comrades who are bravely performing missions in the enemy's very midst, some of whom have fallen without having been accorded the public recognition that they deserve. We pay homage to the 143,000 revolutionary patrolmen [vigilantes] throughout the country who look after the security of their brothers. We pay homage to the more than 6,000 volunteer policemen who put in 328,000 hours of service this quarter, boosting by 93 percent the guard and patrol hours of the Sandinist Police.

Thanks to the work of the Interior Ministry and the efforts of the people, all of the enemy's attempts to engage in terrorism in the cities have been completely neutralized; countless blows have been dealt to the counterrevolutionary military units by the Sandinist People's Army or the forces of the Interior Ministry itself; the main economic targets have been protected against major strikes even in the areas in which large counterrevolutionary units are operating; the harmful effects of the campaigns of confusion have been mitigated; enemy plans have been uncovered in advance, which has enabled the revolutionary State to take preventive measures, and we have been able to prevent the enemy's planned attacks on leaders of the revolution. The most outstanding Interior Ministry agencies in the struggle against

the counterrevolutionary enemy have been the State Security agencies, whose effective and heroic efforts have been decisive in posting these accomplishments; the Pablo Ubeda Troops, which performed important and difficult combat missions, and units of the Sandinist Police and Volunteer Police. In addition, in several regions soldiers and officers in administration and services have joined the fray.

The number of crimes committed in the country dropped from 20,377 in 1981 to 10,215 in 1982, a 50 percent reduction, and the Sandinist Police succeeded in solving 55 percent of them, up 6 percent from the previous year. During the first quarter of the year, 678,399 man-hours of guard and patrol duty were put in, 48 percent of which were done by the Volunteer Police. The prestige and legitimate authority that the Sandinist Police enjoyed in the people's eyes in 1981 has continued to rise as a result of its effectiveness, honesty, courteous and respectful manner and excellent discipline.

All of these accomplishments in security and domestic law and order have been made within a framework of total respect for the physical and moral integrity of detainees, in line with the principles of the Sandinist Revolution. The infrequent abuses that members of the Interior Ministry have committed against any individual have been energetically punished under existing military laws. The revolution has shown clear evidence of its humanism in its policy of penal reeducation and its treatment of prisoners in the National Penitentiary System. During the past year, prisoners were taught to read and write; 4 minimum- and medium-security prison farms were established (one for Miskito prisoners and their families), and a total of 100 convicts are involved in production work and earning wages. All of these measures have had a great international impact. In this same spirit, a special center entitled "Andres Valle" was set up under the supervision of the Sandinist Police to take care of and evaluate juvenile delinquents.

In spite of the heavy international traffic (311,833 entries and 326,281 departures, which meant issuing 67,293 passports and 120,474 visas), the Directorate of Migration and Aliens provided expanded and improved service to the public, in particular by decentralizing the issuance of visas and other travel formalities. The countless international events that took place in our country were handled smoothly in terms of travel to and from Nicaragua and were effectively covered by security personnel.

The property damage caused by fires is grounds for concern, totaling 58 million cordobas this year. The main causes are failure to observe the instructions of SINACOI and arson. We must make SINACOI's recommendations obligatory and intensify surveillance at work centers to preclude such criminal acts. Our firefighters bravely battled 281 blazes during the year.

Concurrent with its extraordinarily intense operations schedule, the Interior Ministry has continued its efforts to rationalize the use of material resources and pursue policies of conservation and austerity, securing substantial reductions in the consumption of fuel, while efforts in other areas remain to be continued.

Four years after the triumph of the revolution, the Interior Ministry is a faithful and capable guardian of the Nicaraguan people's legitimate interests and a proven defender of their happiness.

Defense

During the period we are reporting on, the Defense Ministry has focused on strengthening and consolidating its structures. The EPS [Sandinist People's Army] is currently engaged in a process of qualitative and quantitative development both in its Standing Units and in its Combat Reserve Units. These gains have enabled it to confront the imperialist aggression with resolve, courage, heroism and a considerable mastery of combat equipment.

The execution of combat and political training programs, the maintenance of a continually high level of combat readiness among our main units, military training and the professionalization of our main chiefs, officers, noncommissioned officers and soldiers have created a solid structure that can insure the defense of our people's homeland and revolution. Military training is enhanced by the high revolutionary and Sandinist combat morale of our Standing Units and Reserve Units, a morale that has enabled us to hold our positions and energetically beat back the Somozist enemy that has penetrated our territory. At this juncture we can assert that our homeland now has a Regular Army, a new, united, strong army outfitted with new equipment to faithfully defend the interests of the people and the accomplishments of the revolution.

In February and March 1982, our entire people prepared to do battle with the imperialist enemy and defend their homeland. The Sandinist People's Army capitalized on this experience, which was instrumental in bolstering our defense plans and objectively assessing the political status and morale of our troops.

Based on this experience and given the nature of the enemy's activities, the Sandinist People's Army, through the National Section of the Sandinist People's Militias, had the priority tasks of maintaining and upgrading military training programs, expanding training centers and lending a strictly military character to Militia Units around the country.

A new element in the country's general defense plans was the self-defense of towns, an approach that will become nationwide as a way of incorporating the people into defense efforts.

The military training that Reserve Units have undergone and are undergoing bears mentioning in this report. The combat experience gained in fighting the Somozist invaders and the revolutionary resoluteness and firmness that are put to the test every second are guidelines by which we can precisely determine the fundamental role that the Reserve Units play in defending our homeland's sovereignty.

Given the nature of the enemy, in consideration of American imperialism's plans for aggression and pursuant to the legitimate right of peoples to defend themselves, a principle reaffirmed by the National Directorate of the Sandinist National Liberation Front and our revolutionary Government, we feel that it is timely to inform our people that we have acquired new combat equipment, geared to the nature of the imperialist aggression. These defensive weapons will enable us to confront, repel and annihilate any large-scale invasion that is part of the plans of the counterrevolutionary mercenaries. The members of the EPS have mastered this new equipment, which will further strengthen the defense of our homeland and insure that our entire people can work in peace.

Since December 1982, when U.S. imperialism decided to launch the Somozist counterrevolutionary units from Honduran territory with the far-fetched idea of at least creating "liberated zones," our people and their armed wing, the Sandinist People's Army, have been waging a tenacious struggle against the invader and for now have succeeded in thwarting his adventurist designs.

We pay well-deserved homage to the officers, noncommissioned officers and soldiers of the EPS, to the comrades in the Infantry Reserve Battalions and the Sandinist People's Militias who have fallen heroically in the line of their revolutionary duty to defend the threatened homeland. We also express our gratitude to the heroic Borderguard Troops and the other units of the EPS that are confronting the imperialist invader, to the workers, peasant farmers, students, young people and women who, possessed of an unbreakable revolutionary morale, have joined the Reserve Infantry Battalions and under varying field conditions are defeating the Somozist enemy in the battlefield and routing the counterrevolutionary Task Forces, thus giving a fine example of heroism and patriotism. Our Standing and Reserve Units have guaranteed and continue to guarantee, in a Sandinist spirit, the defense of our revolutionary achievements.

We would also like to tell our people that only the finest Nicaraguans are members of the Sandinist People's Army, the Reserve Units and the Sandinist People's Militias and that we will therefore thoroughly defeat the imperialist aggression we are up against.

Foreign Policy

The current international situation is marked by heightened tensions in various regions of the world as a result of the warlike, adventurist

policy of the present U.S. administration. This policy, which harks back to the height of the cold war, was the one that gave the green light for the Zionist aggression against Lebanon and the Palestinian people; that is promoting destabilizing activities in southern Africa, particularly against Angola and Mozambique; that is opposed to the UN plan for independence for Namibia, which is illegally occupied by the racist South African regime, and that led the United States to side actively with Great Britain's colonialist invasion of our sister republic of Argentina.

This same policy turns a deaf ear to the disarmament proposals advanced by the countries in the socialist camp, as well as to the proposals of churches, intellectuals and other groups within Western Europe and the United States itself that are seriously worried about mankind's future. Instead, the administration prefers to toy with the notion that nuclear war is feasible, a demented notion that would mean an end to all life on earth. In Central America as well, the current U.S. administration's policy is a threat to peace and security in the region and the world.

The present U.S. administration stubbornly refuses to see that the region's problems stem from obsolete economic, social and political structures against which the peoples of these countries have risen up to emerge from poverty, backwardness and underdevelopment.

President Reagan and his advisers have failed to understand the triumph of Nicaragua's revolution and have decided to pursue an aggressive, destabilizing, criminal and adventurist policy against our people.

In the pursuit of their plans they have not hesitated to compromise and destabilize governments and armies in Central America, turning their territories into bases for military aggression against Nicaragua.

They have thus been imposing a policy of war in Central America, which so far this year has caused the death of more than 500 Nicaraguans.

For more than a year now we have been denouncing the aggressive plans set in motion against Nicaragua. We have denounced the U.S. Executive Branch's financing of covert military operations against Nicaragua through the Central Intelligence Agency.

We have also reported the exact locations of the military bases of the former Somoza guardsmen in Honduras.

In light of these serious developments, we have taken the necessary steps to militarily defend the nation's sovereignty and integrity, but we have also held to our firm policy of peace and remain open to a bilateral dialogue with the United States and Honduras.

Specifically, in May, August, September and October of last year and again in March and April of this year, Nicaragua reiterated its willingness to hold talks with the United States, without preconditions, on all of the issues that the two sides considered of interest.

With regard to Honduras, Nicaragua has repeatedly pressed for a meeting between the commanders of the two countries' Armed Forces but has received no positive response. Honduras has rejected these invitations, the personal invitation to President Robert Suazo Cordoba last August, as well as the suggestion put forth last September by Presidents Jose Lopez-Portillo and Luis Herrera Campins that the chiefs of state of Nicaragua and Honduras get together.

In light of these escalating aggressions and invasions, we fulfilled our duty to alert the international community to these increasingly serious threats to international peace and security, by explaining the scope of the aggression to the UN Security Council in March of this year and appealing to the U.S. Government to reconsider its warlike stance.

We have also noted with the utmost concern the activities that counter-revolutionary elements, directed by the CIA, have been engaged in in recent days, behind the back of the Costa Rican Government, in a bid to open up a new battle front to the south.

Nicaragua's policies of peace, its opposition to the use of force, its emphasis on a frank, constructive dialogue to resolve differences between States, its total adherence to the principles of nonintervention in the internal affairs of other States and respect for and defense of the right of self-determination of peoples, as well as the strictest adherence to the principle of nonalignment in our foreign policy and the significant achievements of the Sandinist People's Revolution in the political, social and economic spheres, all this has brought clear-cut international support for our revolution and our ambition to hold important positions in international forums and to host major meetings of the world community.

Since we do not wish to make an exhaustive list of all our accomplishments in this important sphere of diplomacy, we were merely underscore the importance of Nicaragua's election to the Security Council, a development that takes on particular importance in light of the Reagan administration's active efforts to prevent it. We should also mention Nicaragua's election to the presidency of the Pan-American Health Organization and to the UN Human Rights Commission, as well as the selection of Nicaragua to host the important FAO-sponsored meeting of Latin American and Caribbean agriculture ministers and the first special ministerial meeting of the Coordination Bureau of the Nonaligned Movement concerning Latin America and the Caribbean, a meeting that was attended by more than 1,000 official delegations, 41 of which were headed by deputy prime ministers, foreign ministers and deputy foreign ministers.

We also consider it of great importance that Nicaragua was unanimously elected to chair the Economic Commission of the Seventh Summit Meeting of Chiefs of State and Heads of Government of Nonaligned Countries, as well as the regional meeting on the Palestinian issue that was held in Managua last month.

At all of these meetings Nicaragua has defended the policy of nonalignment and from this position we have made common cause with the just struggles of peoples throughout the world. At the same time, we have closed ranks with the developing countries in their demand for a new international economic order.

As part of our policy of strengthening relations with various countries and governments, we have paid official visits to the Soviet Union, France, Vietnam, Kampuchea, Laos, the Democratic Republic of Korea and Mongolia. We have also held meetings with the chiefs of state of countries in the nonaligned movement on the occasion of the Seventh Summit Meeting in New Delhi. We should also emphasize the working trips that the members of the FSLN National Directorate, the Members of the National Reconstruction Government Junta, the foreign minister and various cabinet ministers made to a number of countries in the Americas, Europe, Asia and Africa.

During the period in question Nicaragua was visited by chiefs of state, government officials, well-known figures, lawmakers and delegations from all over the world. Formal diplomatic relations were also reestablished with our sister republic of Bolivia, and diplomatic relations were established for the first time in our history with Bangladesh, Ghana, Cyprus and the Arab Republic of Yemen.

In these extremely grave times for Central America and for our country in particular, which has been invaded by Somozist mercenaries directed by the CIA, we are once more reaffirming that the main goal of our foreign policy will always be to defend our sovereignty and territorial integrity, and it is our lasting pledge that we will never consider that we have exhausted all peaceful methods of settling conflicts. We underscore the need for a direct dialogue with Honduras, so that the representatives of our sister nation do not continue to allow themselves to be used by the Reagan administration to attack Nicaragua and so that the consequences of its current policy do not lead us to a confrontation, which for the good of our peoples we have an obligation to try to prevent.

We reaffirm our willingness to talk with the U.S. Government, without conditions, in the hope that the administration there will become convinced that neither threats nor aggressions will succeed in making us alter the course of a truly free, truly democratic, truly pluralist and truly nonaligned process.

We regard it as a positive development that the United States Congress is analyzing the false arguments with which the administration is endeavoring to justify its immoral and dangerous policy towards Nicaragua. We must not fail to point out, however, that while the U.S. Congress engages in debate, the aggression continues and people continue to be murdered by the former Somoza guardsmen through whom President Reagan and the CIA are endeavoring to impose their kind of democracy on Nicaragua.

This past 30 April, the former Somoza guardsmen, backed by regular forces of the Honduran Army, began a new invasion offensive.

More than 1,200 former Somoza guardsmen took part in the attacks along the border with Honduras in the department of Nueva Segovia.

The response by our army and our people was not long in coming. Demonstrating their dependability and heroism, they halted the attack by the mercenaries, and today the border highlands that had been occupied by the invaders are now controlled by our forces, from El Castillo Hill to "La Fila" hillock 13 kilometers northeast of Jalapa.

These attacks are not fortuitous; behind them is the irresponsible hand of the U.S. administration.

Therefore, we must remain on the alert. We cannot rule out that while the U.S. Congress engages in debate, the Reagan administration will decide to escalate the aggression by sending in Somozist mercenaries, Honduran soldiers or American troops, but direct or indirect aggresison will not bring this people to its knees.

The military strategists of the current U.S. administration might be able, in their genocidal madness, to destroy our schools, our homes, our hospitals, our crops, our towns and our cities, but they will never crush the dignity of the people of Sandino, who on 4 May 1927 said in response to the Yankee intervention and the traitors: "I am neither selling myself nor surrendering." They will not crush the dignity of the people of Rigoberto Lopez Perez, the people of Carlos Fonseca, the people of Daniel Teller and the other heroes and martyrs who fell at Zompopera.

Long live national unity!
They shall not pass!

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LARGEST ELECTRIC POWER SYSTEMS BEGIN OPERATION

Lima EL COMERCIO in Spanish 7 June 83 p A-6

[Text] The three biggest electric power generating and transmission systems in Peru have just joined in a single circuit with the inauguration of service by the Mantaro-Pachachaca-Callahuanca line, said Eduardo Cailloux Angullo, chairman of the board of directors of ELECTROPERU [Peruvian State Electric Power Enterprise].

Together they are generating 1.684 million kilowatts, with power coming from the Mantaro system (798,000 kilowatts) CENTROMIN [Central Peruvian Mining Enterprise] (192,000 kilowatts), and ELECTROLIMA (694,000 kilowatts).

"Altogether," Cailloux indicated, "the interconnected Mantaro-Lima system will have, when the Restitucion plant is finished in 1984, a combined generating capacity of 1.8 million kilowatts installed."

All of this power will permit fulfillment of the needs of villages in the departments of Ica, La Libertad, Ancash, Ayacucho, Huancavelica, Junin, Lima, Pasco and Huanuco. Eighty percent of our national production is concentrated in these departments.

The chairman of ELECTROPERU noted that plans include construction of the following transmission lines: Cerro de Paxco-Huanuco-Tingo Maria, La Oroya-Tarma-Chanchamayo, Cobriza-Huanta-Ayacucho and Trujillo-Chiclayo, as well as a substation at Huancavelica.

He announced that the Carhuaquero plant (75,000 kilowatts) and the Restitucion plant (217,000 kilowatts) will commence operations next year, and that Charcani V (135,000 kilowatts) and the Machu Picchu expansion (70,000 kilowatts) are scheduled to start up in 1985. At the same time work will continue on the Cuzco-Sichuani line and the electrification of the Vi canota Valley, Cailloux noted.

Light for 127 Villages

He said that the inauguration of 20 small hydroelectric plants under the provincial, district and rural electrification programs is planned over the next 12 months.

The high official also said that with the cooperation of the governments of the United States, the Federal Republic of Germany and the United Kingdom, plans are being studied for rural electrification projects in the departments of Cajamarca, Junin and Ancash.

Mantaro-Pachachaca-Callahuanca

The project dedicated by the president of the republic on Saturday is located in the departments of Huancavelica, Junin and Lima. It consists of an initial, 1920km line from the Campo Armino (Mantaro plant) substation to the Pachachaca substation, with a transmission capacity of 300 megawatts.

Then there will be another 73-km line from Pachachaca to Callahuanca with a 300-megawatt transmission capacity; and finally a 13.5-km line which will connect Pachachaca with the Pomacocha substation, with a transmission capacity of 150 megawatts.

Six hundred six distribution towers have been installed as follows: 434 on the Mantaro-Pachachaca line, 138 between Pachachaca and Callahuanca and 34 between Pachachaca and Pomacocha.

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TRELLES DEFENDS MIRAGE PURCHASE, DEMOCRACY

Lima LA PRENSA in Spanish 3 June 83 p 2

[Text] With the purchase of 20 new Mirage 2000 jets we are only seeking to balance forces and power among the Latin American countries, Dr Oscar Trelles Montes, Chairman of the Senate National Defense Committee, maintained yesterday (AP). In his statements to the Congress, Dr Trelles explained that this acquisition has been under study for some time by the Peruvian Air Force, and that the purchase is being made in accordance with the country's economic situation. In addition to seeking a balance, according to him, an attempt is being made to replace obsolete war materiel, so that the FAP [Peruvian Air Force] may always be in top operating condition.

About Pinochet

With respect to certain statements made by Chilean President Pinochet alluding to the problems of democracy in Peru, Dr Trelles said he was unaware of such remarks, but he noted: "The only thing I can say is that ideologies can not be eliminated with weapons. One ideology can be fought with another ideology." Pinochet referred to Marxism and apparently said that the struggle against that evil is not so efficient in a democracy as it is in the country he rules. Dr Trelles expressed the opinion that perhaps Pinochet is trying to frighten the Chilean people, who are clamoring for democracy; then he remarked that Marxism, here and everywhere else, "is in a decline." However, he added that this does not mean that its existence can be denied. "That would be impossible," he noted.

He also said that "we do not have to concern ourselves with what foreign governments say."

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BRIEFS

BALAUNDE SUPPORTS BEDOYA--Francisco Belaunde Terry yesterday expressed his agreement with and personal support for the possible candidacy of Luis Bedoya Reyes for mayor of Lima, at the head of an alliance between the Popular Action and Popular Christian parties. "It would be a sound measure. One must consider that Dr Bedoya has served as metropolitan mayor before, and almost all of us remember him as one of the best mayors our city has ever had," he told LA PRENSA plainly. The former president of the Chamber of Deputies, who is just at the midpoint of his legislative term, said that this has not been his own initiative, but that he supports such a possibility, "just as Deputy Dagoberto Laynez Vodanovic did before," referring to the leader of the populist majority in the lower house. Commenting on recent newspaper reports on the subject, "Paco" Belaunde did not wish to say who will be the populist candidate for mayor. He recalled that there are three possibilities: present Mayor Eduardo Orrego, Labor Minister Alfonso Grados Bertorini and Housing Minister Javier Velarde Aspillaga. "In the last analysis it will be the party that finally decides the matter," the president's brother emphasized. [Text] [Lima LA PRENSA in Spanish 29 May 83 p 2] 8735

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